U.S. Department of State
FY 2000 Country Commercial Guide: Colombia

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I. EXECUTIVE SUMMARY

Colombia is going through a difficult period. U.S. businesses in Colombia are facing uncertainties about short-term future commercial prospects. Current trade figures are beginning to reflect the downturn in the commercial environment. According to the Office of the United States Trade Representative (USTR), in 1998 two-way merchandise trade between the United States and Colombia totaled $8.7 billion, down $1.2 billion from 1997. The U.S exported US $4.7 billion (CIF) and imported US $4.0 billion (FOB) worth of goods from Colombia. The United States, based on 1998 estimated Colombian Government figures, remains Colombia's long-standing number one supplier nation with 31.8 percent of total imports into Colombia. The U.S. is also the number one foreign investor in Colombia, accounting for 28.1 percent of accumulated foreign direct investment (not including portfolio and petroleum).

In July 1999, Colombia entered into an access agreement with the IMF for a US $3 billion approved stand-by line of credit. The agreement implies special monitoring and conditions for the GOC including labor reforms. The stand-by line of credit, which has been used successfully by Brazil and Mexico, would boost the country's credibility and viability vis-à-vis prospective investors. Additionally, the Government of Colombia estimates that economic recovery should begin in the latter part of 1999, and is banking on privatization of numerous government owned enterprises, e.g., ISAGEN, ETB (Empresa de Telecomunicaciones de Bogota) and Carbocol, to revitalize and jump-start the economy.

Despite optimistic scenarios for Colombia, guerrilla activity in the country, especially near large metropolitan areas, delays in peace talks with the FARC, and high unemployment have raised concerns. Many companies are maintaining their investments and personnel in the country, although they are looking for alternative out-sourcing of services. These are mostly companies with a long tradition and experience of working in Colombia.

Nonetheless, Colombia continues to be an attractive market for various demographic, geographic and cultural reasons. Colombia is strategically located at the northwest tip of South America, only 2 hours by plane from Miami to its nearest major port, Cartagena. Colombia has coasts on both the Caribbean and Pacific oceans. Its topography, combined with its geographic location, make for a great variety of climatic zones, ranging from the hottest tropics to snow-covered mountains.

Colombia has 40.2 million inhabitants. The economic activity is as varied as its topography. Its capital city, Bogota, is home to 6 million inhabitants. Over 70 percent of the population live in towns and cities and more than 30 cities have populations in excess of 100,000. Medellin, a city of 1.8 million in western Colombia, is a major industrial center, producing textiles, clothing, chemicals, plastics, and printed materials. A large number of foreign multinationals have established manufacturing plants in Cali, the third largest city. Other cities with important industrial activity are Barranquilla, Cartagena, Bucaramanga, and Pereira.

In many cases, we are seeing a growth of US firms adjusting their strategies to adapt to the situation in Colombia, either getting involved in major projects or offering niche products and services, and successfully taking advantage of existing market opportunities. Also, many US firms assign local agents and distributors, thereby reducing their own presence in country. These intrepid firms are banking on an eventual recovery of the economy and resolution of the guerilla problem.

Although the outlook in the short-term is worrisome, interested US firms should focus on the mid- to long-term outlook, which is relatively more promising. In particular, in Chapter V of this report, FCS and FAS Bogota have identified best prospects for US exports to Colombia. For non-agricultural goods and services, the list includes the following: telecommunications services, telecommunications equipment, industrial chemicals, travel and tourism, oil and gas machinery, medical equipment, pollution control equipment, industrial process controls, computers and related equipment, food processing and packaging equipment, electrical power systems, plastic materials and resins, construction and mining equipment, apparel, automotive parts and accessories. In the agricultural area, best prospects include the following: processed food, cotton, wheat, corn, soybean meal, and soybeans. For assistance in identifying other specific areas of opportunity, please contact the US Embassy Bogota.

II. ECONOMIC TRENDS AND OUTLOOK

Major Trends and Outlook

Chronic political and drug-related violence notwithstanding, Colombia has for decades enjoyed a stable economy and consistent impressive growth, characterized by responsible macroeconomic policy and entrepreneurial savvy to a degree perhaps unique in Latin America. Alone in the region, Colombia neither sought to renegotiate its debt in the 1980s nor has ever needed an IMF program. However, in recent years -- and especially since 1997 -- the economy has seen its star fade greatly. GDP growth in 1998 (0.6%) was the poorest in decades. The economy continued to slide in 1999; by mid-year it was expected that growth would actually be negative for the first time since 1931, and international investors and credit agencies were increasingly pessimistic about prospects for near-term recovery.

The 1998 downturn hit after the first quarter, when the Central Bank resorted to steep interest-rate hikes to defend the peso against exchange-rate pressures arising from Colombia's worsening trade and fiscal circumstances, as well as election-year jitters. Andres Pastrana's assumption of the Presidency in August, and his quick appointment of an energetic economic team, temporarily produced new confidence and optimism. Just two weeks later, though, the Russia crisis produced new global-market uncertainties, leading to the Central Bank's surprise 9% adjustment of the peso's exchange-rate band in early

September. (The bank was forced to adjust the band by a further 9% in late June, 1999; by early July, at about 1800/dollar, the peso had declined more than 55% against the dollar since summer 1997.)

By April 1999, unemployment was at an all-time high of almost 20%. Industrial production fell by more than 20% in the first four months of 1999, sales by 18% and overall exports by seven percent. On the brighter side, by early summer 1999 the benchmark interest rate had dropped below 18 percent (from 38 percent in November 1998) and, for the first time in decades, annualized inflation had fallen to single digits.

Colombia's central government budget structural deficits (which stem largely from entitlements mandated by the 1991 Constitution) are a vital, long-standing problem. The 1998 deficit was close to five percent of GDP. After the new Government's success in passing a major tax reform and a relatively tight budget for 1999, Finance Minister Restrepo announced revised Government deficit targets of three percent of GDP for 1999 and 2.5 percent for 2000. Meeting these goals will depend on the Government's ability to stick to an austere FY 2000 budget incorporating Draconian real cuts, a hoped-for USD 3.1 billion from major privatizations by late 1999 in the electrical and telecommunications sectors, and on economic recovery beginning by the end of 1999. Prospects for all these contingencies are at best unclear.

The soundness of Colombia's finance sector has become a major new concern since mid-1998. Doubly hit by high interest rates and the recession, the sector sustained record losses in 1998, which continued at an even worse rate in early 1999. Up to 90% of these losses is in inefficiency- and corruption-plagued public banking entities, whose ratio of non-performing loans has reached the 20-25% range. Since October 1998 the Government has been forced to bail out or take over several of the shakiest institutions in this sector, and in November 1998 it declared an economic emergency aimed at forestalling a financial-sector collapse, but key provisions of that emergency were later overturned by Colombia's Constitutional Court.

By mid-1999, the continuing economic slide, along with increasing insecurity, a stalled peace process with the country's two major guerrilla movements, and lack of Government movement on fundamental structural reform of the economy, had caused IFIs, international investors and creditors to display fresh alarm over Colombia's economic future. As of June, the World Bank put on hold a USD 600 million loan package out of concern over the budget deficit. On July 16 the Minister of Finance officially announced that Colombia entered into an agreement with the IMF to provide a USD 3 billion "spare" loan to cover the fiscal deficit and reactivate the domestic economy. Nevertheless, in August, Wall Street ratings agencies downgraded Colombian sovereign debt to triple B-.

As of mid-1999, public foreign debt was approximately USD 19 billion, almost entirely long-term; private foreign debt was just over USD 15 billion. Total foreign indebtedness was hence still comfortably below 40% of GDP. Official foreign reserves were approximately USD 8.5 billion, corresponding to more than six months' imports (this figure does not include offshore accounts, chiefly from privatization receipts, of approximately one billion dollars.)

Principal Growth Sectors/Sectoral Performance

Despite 1998's general economic downturn, some sectors still managed to show reasonable growth. The transport and storage sector grew 1.9%, in spite of reduced automotive sales and imports. Telecommunications services grew 8.8% (after 15% growth in 1997) and look likely to grow again in 1999. Hydrocarbon production increased 14%, although revenues fell to USD 3.9 billion in 1998 from 4.9 billion in 1997 due to the decline in international oil prices. Mining sector growth was 10% for 1998, an improvement over 1997's 4.4%. Union opposition to foreign investment, and sporadic guerrilla attacks against the Cano Limon-Covenas pipeline continue to inhibit investment in the oil sector, but the Pastrana government's recent reforms in oil exploration association contracts and Congress's approval of royalty reforms should do much to improve profitability of most Colombian oil fields.

Agriculture, which accounts for about 18 percent of GDP, including livestock, hunting, fishing, and forestry and coffee, grew one percent in 1998, versus 0.7 percent in 1997. This, however, masks a decline (0.6%) in non-coffee agriculture; coffee (historically Colombia's most important agricultural product) grew 3.1 percent for the year. The construction sector was particularly hard-hit in 1998, with negative growth of 14.4 percent, after a 0.2 percent drop in 1997. Continued economic uncertainty bodes ill for construction prospects, although by mid-1999 the Government had begun to discuss undertaking public works projects as a jobs creation measure. While exact sectoral figures for 1999 are not yet available, overall industrial production fell 20.5 percent by April 1999 from a year earlier.

Government Role in the Economy

The Pastrana administration has generally supported the thrust of Colombia's "apertura" (economic liberalization) begun in 1990-91 under former President Gaviria and continued, albeit more slowly, under former President Samper. To date, sector liberalization has progressed farthest in telecommunications, financial services, accounting/auditing, energy and tourism. Less open sectors include audiovisual services, legal services, insurance, distribution services, advertising and data processing.

In November-December 1998 the telecommunications market opened for long-distance and international calling, with two private consortia beginning to compete with the state telecom monopoly. In May-June 1999 the Colombian Congress passed legislation to reform oil royalties, and Ecopetrol revised the terms of association contracts, further opening this sector to foreign investment. Other sectors, in particular agriculture, remain highly protected and have not been subject to further liberalization under the Pastrana Administration.

The mid-1990s saw the privatization of many Colombian seaports, airports, highways, energy projects, telecommunications, and financial institutions. Current Government plans call for the privatization of three major enterprises in the energy and telecommunications sectors by the end of 1999, with the goal of raising at least USD 3.1 billion to help reduce the budget deficit. Given the lack of action on this front through mid-1999, however, it seems unlikely that these privatizations will be carried out before 2000.

Balance of Payments

Colombia's official trade deficit in 1998 was the same as a year earlier: USD 3.8 billion. Exports and imports both decreased, the former from USD 11.5 billion to USD 10.8 billion (6.4%) the latter from USD 15.3 billion to USD 14.6 billion (4.8%). The fall in exports was largely due to lower international commodity prices for coffee, coal and oil. Economic recession and the peso's weakening were behind the drop in imports. Colombia's major exports were petroleum, coffee, coal, nickel, gold, and non-traditional exports. The latter (i.e., cut flowers, fabrics, chemicals, semiprecious stones, sugar and tropical fruits) increased again in 1998, rising 2.9% to USD 5.5 billion. The overall current account deficit was USD 5.87 billion, virtually unchanged from USD 5.89 billion in 1997. The lower level of imports affected demand for dollars, which helped keep the peso generally at the middle of its exchange-rate band from November 1998 until June 1999.

Foreign direct investment, combined with foreign borrowing, helped offset the trade deficit. Colombia's official capital account surplus for 1998 was USD 4.7 billion (down from USD 6.7 billion a year earlier.) New foreign direct investment (FDI), excluding petroleum and portfolio investment, fell in 1998, registering USD 3.2 billion, versus USD 5.6 billion for 1997. This reflected inter alia reduced privatization receipts, increasing instability and perceived decreases in security. Inflows in the petroleum sector were USD 1.49 billion, only slightly higher than outflows of USD 1.42 billion.

Colombia's major trading partner in 1998 was the United States, which received 37.1 percent of Colombia's exports (up from 37.0 percent in 1997) and provided 31.8 percent of its imports (down from 35.1 percent in 1997). The E.U. and Japan remain prime trading partners, as do Andean Community countries-especially Venezuela-for non-traditional products.

In 1998 the estimated U.S. trade surplus with Colombia was USD 633 million, down from USD 1,135 million in 1997. In 1998 estimated U.S. exports (CIF) to Colombia totaled approximately USD 4.653 billion, down from USD 5.397 billion in 1997, while imports from Colombia fell from 4.262 billion in 1997 to 4.020 billion in 1998. Principal exports to Colombia were vehicles, boilers, agricultural products, electrical power generation and other machinery, organic chemicals, plastics, and cereals. Colombia was the United States' twenty-fifth largest export market in 1998, and the fifth largest in Latin America, after Mexico, Brazil, Venezuela, and Argentina.

Infrastructure

Business operations in Colombia continue to suffer from inadequate national infrastructure, most evident in the poor quality of roads and bridges. Insecurity in rural areas compounds this factor by increasing the difficulty and risk of commercial and personal transport via the road system. Air transport compensates in some respects; Colombia has one of the densest domestic air route networks in Latin America. Telecommunications infrastructure has increased markedly in quality and penetration in recent years, helped by limited opening to local and regional competition and increased cellular coverage around the country. Electrical infrastructure is fairly extensive, although several thousand of the country's smallest and most remote villages remain without electrical power.

Only in 1999 did the Colombian Government begin to pay serious attention to the Year 2000 problem. An interagency committee to address the issue, under the National Planning Department, was established in September 1997, but was hampered by lack of funding and of high-level interest. By early 1999, the Committee began producing a series of reports on national Y2K preparedness. The third report, in June 1999, indicated that lack of funding has remained the most serious factor in preventing some sectors of the Colombian economy from reaching Y2K compliance. The report predicts a moderate risk of failure during the January 1, 2000 changeover for electrical grid connectivity, telecommunication network interconnection, advanced medical equipment and critical air navigation/traffic control systems. A May 1999 FAA analysis of Colombian civil aviation systems indicated that radar networks nationwide may temporarily collapse on January 1, 2000, forcing a brief 90% reduction of air traffic within and through Colombian airspace.

III. POLITICAL ENVIRONMENT

Bilateral Relations with the United States

The foreign policy of Colombia's new government has focused on rehabilitating and enhancing Colombia's image as a global and regional player. In pursuing this strategy, the Pastrana Administration has concentrated its resources in four areas: restoring damaged relations with the United States, promoting regional integration and security, expanding economic growth, and strengthening counter-narcotics cooperation. The advent of President Pastrana has produced a transformation for the better in relations with the U.S. after four years of strain during the Samper Administration, during which the U.S. Government twice "decertified" Colombia for insufficient counter-narcotics cooperation, and revoked President Samper's visa because of his links to narcotics traffickers. Bilateral relations reached a new high with President Pastrana's October 1998 State Visit to Washington, and the USG's full certification of Colombia for narcotics cooperation in March 1999.

Political Instability-Effects on Business Climate

Increased political instability mainly stemming from lack of progress in the Government's peace process with Colombian guerrillas, a recent jump in the number of politically motivated civilian kidnappings, and other guerrilla and paramilitary terrorism, as well as a high urban crime rate and a negative general security situation, all continue to damage the climate for business in Colombia. Narco-trafficking and related corruption profoundly contaminate much of Colombia's political and economic environment; since 1995, numerous Colombian Congresspersons and politicians have been detained or investigated for illegal enrichment and/or other forms of corruption linked to the illicit drug trade in the "Caso 8000" affair.

The change of Administration in August 1998 generated hope among Colombians for political and economic improvement in the country, as well as for Colombia's reinsertion into the international community after four years of a Samper Administration widely considered corrupt and lacking in credibility. Pastrana's installation of a strong economic team, led by Finance Minister Juan Camilo Restrepo, brought a specific calm to financial markets, which prior to the elections had been approaching a crisis level. The new economic team's top focus was to shrink the central-government fiscal deficit-five percent of GDP and rising when Samper left office. Minister Restrepo's plans for fiscal retrenchment, capped by the successful passage through Congress of both a major tax-reform package and a tight 1999 budget, were greeted with relief by all financial commentators.

President Pastrana's early determination to promote peace with the country's guerrilla forces was well-received, including his dramatic jungle meeting just two weeks after his election with the head of the Revolutionary Armed Forces of Colombia (FARC), the larger of the two main Colombian insurgent groups. This was followed in November 1998 by the Government's demilitarization of a sparsely-populated area in southern Colombia, to establish a neutral ground for pursuing peace talks with the FARC. Thereafter, however, progress has been scant. Negotiations with the FARC guerrillas were repeatedly postponed ; meanwhile, Colombia's second guerrilla group, the Army of National Liberation (ELN), staged a series of spectacular mass civilian kidnappings in April-June 1999 to try and force its way to the negotiating table with the government as well. Thousands more small farmers and rural workers were displaced by intensified fighting among guerrillas, paramilitaries, narcotics traffickers and government security forces. Public disbelief in the FARC and disaffection with the peace contacts has deepened; in May 1999 Pastrana's highly-respected Defense Minister resigned over the issue.

High levels of economic crime continued to plague business in Colombia. Truck hijackings, contraband importation, counterfeiting of products, kidnapping for ransom, and sabotage all increased cost and risk of doing business in the country. Foreign oil companies are particularly subject to extortion, kidnappings and pipeline attacks. The deepening recession has triggered labor unrest, including a three-week public sector strike in October 1998 marred by street violence and the killings of several labor leaders around the country. The Pastrana team met the strikes with firmness and in most cases resolved them without major new expenditures (unlike the Samper Administration, which repeatedly acceded to worker demands, including by granting inflationary wage increases).

Regional Activities

Colombia is a leader in regional and international organizations such as the Andean Community, the Rio Group, the OAS and the UN and its specialized agencies. Colombia has also been an active participant in reviewing and implementing the Plan of Action adopted at the Summit of the Americas in Miami in December 1994 and reaffirmed at the April 1998 Santiago Summit. For example: in March 1996 Colombia hosted a hemisphere-wide meeting of trade ministers as part of the process for developing a Free Trade Area of the Americas, an objective set by the Summit of the Americas.

Trade Promotion

From its outset, Pastrana's administration has energetically pursued bilateral measures and agreements to promote trade. These have included: signing with the U.S. Government an agreement in October 1998 establishing periodic Trade and Investment Council (TIC) meetings with the Andean Community; good faith efforts to improve oversight of the television sector and reduce cable and satellite signal piracy; and President Pastrana's issuance of a directive in early 1999 requiring all Colombian public entities to respect international copyrights. Early renewal of the Andean Trade Preferences Act, scheduled to expire in 2002, is a top Colombian priority. Likewise, the Ministry of Foreign Trade is putting much effort into negotiations with Mercosur and the EU to open up markets.

Anti-Narcotics and Human Rights

Conscious of its international image with respect to both narcotics and human rights violations, the Colombian Government has adopted new laws and implemented reforms in the judiciary, police and military to abate these problems. Colombia ratified the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances in 1993 (the Constitutional Court upheld the ratification in a 1994 decision) and the Second Protocol to the Geneva Conventions regarding human rights safeguards in internal civil conflicts in 1994 (the Constitutional Court upheld the ratification in a 1995 decision.) The Pastrana administration in its early months took major action against alleged human-rights violations by military personnel, and in June 1999 the Congress passed a basic reform of the military penal code, under which allegations of human rights abuse are to be tried in civilian, not military courts.

In December 1996 the Congress adopted an asset-forfeiture law aimed at narco-traffickers, and in February 1997 a law to increase penalties for a number of crimes, including narco-trafficking, and to combat money laundering. Progress on implementing the asset forfeiture law has been slow but procedural changes were introduced in 1999 to streamline forfeitures. In December 1997, the Colombian Congress voted to remove the 1991 Constitution's ban on extradition. However, this measure is not retroactive, meaning that the major drug kingpins serving time in Colombian prisons and wanted by the United States cannot be extradited absent evidence that they committed offenses subject to U.S. jurisdiction after December 17, 1997.

On October 21, 1995, President Clinton signed Executive Order 12978 entitled "Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers." E.O. 12978 blocks all property subject to U.S. jurisdiction in which there is any interest of four principal members of the Cali drug cartel, as well as the property and interest in property of persons determined to play a significant role in international narcotics trafficking centered in Colombia or determined to materially assist in, or provide financial or technological support for or goods or services in support of, the narcotics-trafficking activities of persons designated in the Order. It is illegal for U.S. persons to buy, sell, trade, give away or otherwise engage in transactions involving persons and companies designated pursuant to the Order (who are referred to as SDNT's-Specially Designated Narcotics Traffickers). A list of the names of such persons and companies is available from the Office of Foreign Assets Control/OFAC, Department of the Treasury, Washington, D.C. 27220, Tel: (202) 622-2520, or via the Internet at: http:\www.ustreas.gov\treasury\services\fac\fac.html

Overview of Political System

Colombia is a constitutional democracy with a bicameral congress and separate executive and judicial branches. Laws promulgated in Congress and administrative action taken by the Presidency are subject to the 1991 Constitution. The President and Vice-president are elected by direct vote for a four-year term which cannot be renewed. The country is divided into 32 departments plus the city of Bogota, represented according to population in the House of Representatives (although members do not represent specific districts therein). Senators are elected on a nation-wide basis, and therefore also do not represent specific districts. The judicial branch features a separate "public prosecutor general" and attorney general, both are independent of the government executive.

Notwithstanding Colombia's traditional commitment to democratic institutions, its history has been plagued by violence. This situation has been exacerbated by the government's lack of permanent presence in vast rural zones of the country. Guerrillas, paramilitary groups, and narco-traffickers often have filled the resulting vacuum.

The 1991 Constitution was intended to improve the political system and upgrade social and individual rights. It created the Office of the Prosecutor General ("Fiscalia") and the basis for a more aggressive prosecutorial system of criminal justice, as well as the right of "tutela," a legal resource for citizens to appeal to the courts in defense of their constitutional rights. The Constitution also opened the way for decentralization of government by elections of regional officials, who previously were appointed. However, implementing these and other multifaceted constitutional reforms has been difficult. Legislators, the executive, and the courts often promote their own interpretations of both the spirit and the letter of the Constitution.

Traditionally, the Liberal and Conservative parties have been the backbone of Colombian democracy. After 12 years of Liberal-Party presidents, Conservative-Party candidate Andres Pastrana narrowly defeated Liberal Horacio Serpa in the June 1998 Presidential election and took office on August 7. The incumbent is only allowed to serve one 4-year term. The Liberal Party retained its two-to-one majority in the chamber of representatives and the senate after March 1998 congressional elections, but lost all the main leadership positions to Pastrana's "Great Alliance for Change" coalition in the wake of Pastrana's victory. The Congressional leadership situation is expected to start shifting back towards the official Liberal party in the 1999-2000 legislative session, however.

IV. MARKETING U.S. PRODUCTS AND SERVICES

Distribution and Sales Channels

The opening of the Colombian economy to foreign competition has facilitated the importation of most products, including capital equipment, raw materials, and consumer goods. However, the cost of imported items is made higher once corresponding duties, 16 percent value-added tax (VAT), and surcharges are paid. Marketing of most imported items, especially capital equipment requiring after-sales and parts, is still conducted through agents and distributors. Large Colombian manufacturing firms with good service and maintenance departments and their own import divisions bring in most of their equipment and raw materials directly, provided the foreign supplier is capable of after-sales service and on-time deliveries.

However, the cost of duties and the additional taxes are slowly changing the channels of distribution and sales strategies for intermediate and consumer goods. Many end-users are now buying directly from suppliers and/or manufacturers abroad, instead of from local representatives. End-users are increasingly establishing direct contact abroad for sources of new products and services, thus avoiding intermediaries in Colombia. Major Colombian end-users and distributors/wholesalers have opened purchasing offices and warehouses in Florida for all types of products.

There is a vast array of retail outlets including from large department stores, specialty stores, general merchandise stores, public markets, supermarkets, chain stores, cooperatives, radio, TV, and street vendors and truckers who engage in door-to- door peddling. Hypermarkets (mostly wholesale department stores) are gaining popularity in Colombia and are offering a wide-array of consumer products at very competitive prices.

Consumer products from countries around the world are easily found on the shelves of Colombian stores. Although an increasing percentage of these products are legally imported, a significant amount comes in through open and technical contraband, which is a major problem, especially for consumer goods. Over US $5.0 billion in imports is estimated to enter the country illegally. One of the causes for so much contraband is that most consumer goods and consumer electronics are subject to a 20 percent CIF import duty and a 16 percent value added tax (VAT) assessed on the CIF-duty-paid value of imported products. This nearly 50-60 percent margin over the basic FOB price of legally imported consumer goods encourages contraband. Government efforts to reduce illegal contraband, including media ad campaigns and arrest/confiscation of goods, have had limited but encouraging results.

Use of Agents and Distributors: Finding a Partner

U.S. businesses should obtain as much information as possible on their prospective Colombian customers, including checking their potential customer's background, reputation, purchasing power, financial, credit and trade records. A credit report and bank reference is recommended for prospective representatives, associates and important customers.

In negotiating agreements and contracts, attention should be paid to formality, personal relationships and the building of trust. Colombians will want to know their supplier or partner personally before deciding whether he or she is trustworthy and is the kind of person they want to deal with.

Foreign firms interested in exporting to the private sector in Colombia are not required by law to secure a local agent or representative. However, as a general rule, it is advisable to appoint a local agent or sales representative to help with import procedures, sales promotion and after-sales service. For sales to the government either directly or through international tenders, Colombian law requires that foreign bidders have legal representation in Colombia. Foreign bidders are also required to register with a Colombian chamber of commerce and be pre-classified and pre-qualified by the chamber and in some cases by the Colombian government contracting agency.

Representation and distribution agreements are regulated by the Colombian Commercial Code. An agent or representative differs from an appointed distributor in that the former is legally associated with the principal and may enter into legal agreements on the principal's behalf, while the latter may act totally independently from the principal. A distributor may purchase items from a foreign supplier, wholesaler or jobber, and resell them locally at his own discretion and risk.

In order to secure an agent, representative, or distributor in Colombia, a contract adhering to the provisions of the Colombian Commercial Code is required. This contract must be registered with the chamber of commerce where the agent/representative is located. Agency or representation agreements do not require government approval.

In order to terminate an agency or representation agreement, either party must provide a written notice 90 days prior to the scheduled termination. Unless the agreement states otherwise, upon termination, the agent-distributor is entitled to receive from the contracting firm an amount equal to one-twelfth of the average annual commissions, royalties, or profits earned by the agent during the last three years multiplied by the number of years the agreement has been in effect. In addition, the agent or representative may unilaterally terminate the agreement "for cause" and is entitled to indemnification, which is decided by a board of public officials and non-governmental representatives. Justifications for termination "for cause" include:

- Lack of fulfillment by either party of its contractual obligations.

- Any act of omission by either party which may have seriously affected the interest of the other party.

- Bankruptcy or termination of activities of the company or agent/representative.

The Commercial Service (US&FCS) at the U.S. Embassy in Bogota recommends that U.S. companies seeking agents, distributors or representatives in Colombia, avail themselves of the Agent Distributor Service (ADS) (current cost US $250) and/or the Gold Key Service (current cost US $250 for the first day; US $150 for subsequent days; plus interpreter and local transportation costs). The Gold Key, a US&FCS-organized appointment schedule for visiting U.S. company representatives, has proven to be particularly effective for this market. It is also advisable that companies order an International Company Profile (ICP) (current cost US $125) or other credit report before entering into business arrangements with a new business partner.

US&FCS Bogota also prepares detailed sectoral reports (Industry Sector Analysis - ISAs) and other market reports (International Market Insights - IMIs) on an ongoing basis, which are available through the National Trade Data Bank (NTDB). Many of these reports contain lists of potential business and other important sector-specific contacts. (See Appendix F - Market Research - for a list of reports currently available). Customized Market Analysis (CMAs) (current cost US $3,600) are also available for those requiring individualized market research for their products.

Another good way to explore opportunities and make contacts in the Colombian market is to participate in trade missions and trade shows in Colombia, and to visit trade shows in the U.S. attended by Colombian buyers. (See Appendix G - Trade Event Schedule - for a list of upcoming events). For additional information on all of these programs please contact the U.S. Export Assistance Center (EAC) nearest you, 1-800-USA-TRADE or The Commercial Service at the U.S. Embassy in Bogota, Colombia.

Prohibition Against Doing Business with Specially Designated Narcotics Traffickers (SDNTs)

On October 21, 1995, President Clinton signed Executive Order 12978 entitled "Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers", which blocks all property subject to U.S. jurisdiction in which there is any interest of four principal members of the Cali drug cartel. In addition, the order blocks the property and interest in property of persons determined to play a significant role in international narcotics trafficking centered in Colombia or determined to materially assist in or provide financial or technological support for, or goods or services in support of, the narcotics trafficking activities of persons designated in the Order. It is illegal for U.S. persons to buy, sell, trade, give away or otherwise engage in transactions involving persons and companies designated pursuant to the Order, who are referred to as SDNT's (Specially Designated Narcotics Traffickers).

A list of the names of such persons and companies is available from the Office of Foreign Assets Control/OFAC, Department of the Treasury, Washington, D.C. 27220, Tel:(202)622-2520, or via Internet: http://www.ustreas.gov/treasury/services/fac/fac.html

U.S. companies and individuals doing business in Colombia should be aware of the above Executive Order aimed at curtailing the money laundering operations of the Colombian drug cartels. SDNTs include entities or individuals directly involved in the drug trade, companies or front companies owned by them, and companies or individuals which supply or do business with any of the preceding. U.S. companies found to be doing business with SDNTs will be notified by OFAC to cease and desist. Failure to do so, can result in financial penalties and/or criminal prosecution.

Therefore, although most of the established businesses in Colombia are not involved in the drug trade, U.S. companies should, in addition to doing financial background checks on new potential business partners, also contact OFAC to obtain the most current listing of SDNTs to ensure that their new business partner is not on the list.

Franchising is gaining importance in Colombia and workshops and exhibitions are scheduled regularly to introduce attendees to new franchising opportunities. Some of the franchises currently operating in Colombia are: Sir Speedy, Office Depot, Jeno's Pizza, Pizza Hut, Kentucky Fried Chicken, McDonald's, Domino's, Haagen Dazs, Subway, Yogen Fruz, Howard Johnson, Holiday Inn, and Future Kids. Well-known brands of apparel are also being produced in Colombia under franchising or licensing agreements.

The terms of a franchising agreement may be freely negotiated by the interested parties, so long as they are drafted under the existing legal framework.

Once the franchising agreement is approved by the interested parties, it has to be registered with the Colombian Institute of Foreign Trade (INCOMEX - Instituto Colombiano de Comercio Exterior). Competent legal advice is essential during all steps of a franchising negotiation.

Direct Marketing

Direct marketing through telephone, radio, TV, cable TV, catalogs, credit card promotions, flyers, polls, sales seminar invitations, and sales calls to either home or office sites are popular in Colombia. Many stores and large distributors are producing their own catalogs for either phone or mail orders, which can be paid for by cash, check, or credit cards. E-Commerce (electronic trade) is a recently introduced marketing alternative as the Colombian Congress has just passed legislation on the subject. New legislation and matters treated therein are extensive and complex; the new law requires presidential concurrence and signature, then, the necessary regulating decrees before entering into effect. Legal advice may be deemed necessary before entering into sales or contractual agreements under E-Commerce. Private seminars, workshops and trade shows are being organized in Colombia to learn of particulars and interpretation of the new legislation.

International direct marketing is currently difficult primarily due to customs clearance procedures. A few "informal" Colombian companies offer catalog order services from well-known chain stores or wholesalers in the United States for home delivery at acceptable prices. This procedure, however, is not practical for orders over US $500 due to the custom clearance problems mentioned above. A few imported products are being marketed directly through cable and satellite TV promotions. Orders and delivery of these products are carried out by legally established firms in Colombia.

Joint Ventures/Licensing

The opening of the economy to foreign competition in 1991 created a pressing need for acquiring higher technology not found locally. Although joint ventures and licensing agreements have been common business practices in Colombia, they have become even more important recently as businesses strive to become more competitive. Foreign investment legislation has undergone several revisions in 1996, 1998 and 1999 to facilitate joint ventures and other forms of investment. Important revisions to Article 58 of the Colombian Constitution have been approved by the Colombian Congress which will now permit financial indemnity to both national and foreign individuals and companies that may be affected in the cases of administrative property expropriations by the Colombian government. (See Chapter VII - Investment Climate - for specifics on the legislation on foreign investment in Colombia).

Establishing a Business

The most common forms of business in Colombia are corporations, limited liability partnerships, and branches or subsidiaries of foreign corporations. The establishment of each is legally intricate and the U.S. Embassy advises U.S. firms to obtain legal advice from a Colombian law or accounting firm. A list of attorneys and accountants is available from the Commercial Service of the Embassy.

1. Local Corporation (Stock Company): This is very similar to a U.S. corporation. Shareholders should not be fewer than five; they are liable for the corporation's debts up to the amount of their respective capital contributions. The company issues nominative share certificates which are negotiable in the stock market. At least 50 percent of authorized capital must be subscribed and at least 33 per cent paid in, at the time of incorporation.

2. Limited Liability Partnership: This is a limited company of from 2 to 25 partners, who are liable up to the amount of their contributions. Capital must be fully paid in at the time of incorporation and must be divided into equal quotas or value units, assignable on terms specified in the bylaws and in legislation.

3. Branch of a Foreign Corporation: A branch operates under the rules applicable to Colombian corporations. Its liability is limited to assigned capital. It must be registered with a Notary Public in the place of domicile. Notarized copies of its incorporation document, its bylaws, the resolution or act agreeing to the establishment of the branch, and documents evidencing its existence and legal representation must be also registered with a Notary Public.

For a foreign corporation to be registered in Colombia, prior authorization from the National Planning Department is no longer required, but the following documents must be presented to the local chamber of commerce:

- Documents of incorporation and the bylaws of the foreign corporation;

- Resolution from the board of directors of the home office which authorizes the opening of a branch in Colombia, with details of capital assigned to the branch and the initial appointment of officers and statutory auditors;

- Certificate from the chamber of commerce at the intended domicile of the branch to the effect that extracts of the documents mentioned under paragraph one above have been registered;

- Statement from the chamber of commerce that the official books have been registered and identified; and

- Certificate from the manager and the statutory auditor that the capital assigned to Colombian operations has been paid in accordance to legal requirements.

The above documents require authentication or notarization by a Colombian Consulate abroad, the Ministry of Foreign Affairs, and a local Chamber of Commerce. If the documents are found to be in order, the Superintendency of Corporations, the Banking Superintendency, or the Superintendency of Industry and Commerce (as the case may be) will issue the corresponding permit to initiate operations in Colombia.

All companies (including branches of foreign companies domiciled in Colombia) must register themselves and their accounting books, acts, and other required documents by law in the Mercantile Register of the chamber of commerce in the cities where they are located.

Selling Factors/Techniques

The United States has traditionally been Colombia's main trading partner, Colombia is a "natural" market for U.S. products and services. The dollar is the leading foreign currency in Latin America and its realignment vis-a-vis other currencies has made many U.S. products less expensive than those of other major competitors in Europe and Japan. Other factors favoring U.S. exports are: the geographic proximity of the two countries; the fact that many Colombians prefer to study in the United States; the large number of U.S. firms that operate in Colombia; and the technical leadership that the United States has maintained in many key industrial sectors. The United States continues to have the largest market share of Colombian imports - averaged 34 percent annually for the last three years, based on foreign trade statistics compiled by DANE/Colombian Statistics Bureau. U.S. suppliers should be aware, however, that their ability to compete in Colombia could be hampered by unfair business practices such as contraband, counterfeiting, intellectual property rights violations, under-invoicing, money laundering, and dumping.

Quality, profitability, function, financing, and price are important in the buying decision. The after-sales service arrangement is significant, not only in the original buying decision, but in maintaining the sales relationship. U.S. suppliers must either have their own representative with adequate operations or make sure that they secure a Colombian representative who can offer sufficient after-sales service.

Sales in Colombia depend, to a large extent, upon personal relationships. In this regard, it is advisable to have local representation that can establish the personal contacts that tend to foster confidence in a firm's ability to supply the needed parts or components. Colombians prefer to deal directly with manufacturers or through their export divisions rather than through outside representatives, jobbers, or trading companies in order to obtain better prices, guarantees, parts, and after-sales servicing.

Regarding major projects, early involvement in Colombia's major infrastructure programs is essential. U.S. manufacturers, construction, service and engineering companies should initiate contact as soon as possible with government entities and private firms which have plans, or even interest in developing projects. Once a project has gone to tender it is usually too late to compete if the supplier company has not already in some way become involved. As will be mentioned in the section "Selling to the Government" (below), a local agent or legal representative is required for all government contracts. Therefore, U.S. companies interested in government procurement or contracts should appoint an agent or representative as soon as possible.

Advertising and Trade Promotion

The introduction of new consumer products to the Colombian market usually requires a massive promotional campaign. These campaigns are frequently conducted by means of ads in all media, and printed technical and sales articles in a combination of media-radio, TV, newspapers, periodicals, trade magazines-announcing sales and special promotions.

Television is one of the most effective media for advertising in Colombia, with television being one of the main forms of entertainment for Colombians. An average Colombian family in the upper middle class has two or more TV sets; even low income families living in urban and rural areas have at least one TV set in their home. There are approximately seven million TV sets in the country.

Some companies also are effectively using a variety of marketing gimmicks to promote consumer products or certain services such as giving purchasers a ticket for each label or wrapper of a given product, which allows them to participate in raffles, or obtain a certain number of points, or discount coupons. Credit card holders are also entitled to market promotions and discounts, as well as the subscribers to some newspapers, magazines or cellular services. Promotional seasonal "sales" have also become popular in Colombia throughout the year, usually on special holidays such as "Dia del Amor y la Amistad" (the equivalent of Valentine's Day, September 18), Father's Day, Mother's Day, etc.

Media in Colombia: Colombia has about thirty important daily newspapers (the five principal dailies are in Bogota) and a large number of trade papers and magazines. There are five nation-wide television networks (three government-owned and two private), ten regional TV networks (state-owned), 434 AM and 878 FM radio stations, and twelve private local cable TV companies servicing more than 300,000 subscribers.

Radio and TV Broadcasting

With the exception of Radiodifusora Nacional, the only station owned by the Government, radio broadcasting is dominated by the private sector (authorized foreign investment up to 25 percent for radio stations) with 434 AM (5351.705 kHz.) and 878 FM (88-108 MHz.) radio stations officially registered with the Ministry of Communications. They have an installed capacity of more than 4 million watts. Since the inauguration of the service in January 1993, most radio broadcasting networks are making good use of the INMARSAT TCS-LITE system, well known as the "briefcase" (maletin de las noticias).

Colombian TV broadcasting facilities consists of five nationwide channels (3 government-owned and 2 private) and ten regional. The government-owned stations are controlled by the government through INRAVISION (an associate government agency), and the regional stations by some of the largest municipalities.

The five current TV broadcasting networks are located as follows: INRAVISION in Bogota (3 nationwide stations), Canal Caracol and Canal RCN in Bogota; the regional channels TeleAntioquia and TeleMedellin (the latter started broadcasting signal in July-August of 1998) in Medellin; TeleCafe in Manizales (regional in the coffee grower area); TeleCaribe in Barranquilla (regional in the north coast); TelePacifico covering the city of Cali and the Cauca valley region; Canal Capital, City TV and TV Andina in Bogota; TeleIslas (in the Colombian San Andres Island across from Nicaragua); and Television Regional del Oriente in Bucaramanga (covering the eastern region of Colombia). Another 400 community TV stations will be awarded in October 99 to operate in small municipalities and suburban neighborhoods in major Colombian cities.

Newspapers and Periodicals (in order of importance):

EL TIEMPO
Avenida Eldorado No. 59-70
Santafe de Bogota, D.C., Colombia
Tel: (571) 294-0100 (Switchboard) 263-7845
Fax: (571) 410-5088
Internet: http://www.eltiempo.com.
Circulation: 390,000 (Monday through Saturday); 490,000 (Sundays)

EL ESPECTADOR
Avenida 68 No. 23-71
Santafe de Bogota, D.C., Colombia
Tel: (571) 294-5555 / 260-2323
Fax: (571) 261-3330
E-mail: redactor@elespectador.com
ejotape@itecs5.telecom-co.net
Internet: http:\\www.elespectador.com.
Circulation: 45,000 daily

PORTAFOLIO
Calle 69 No.43B-44
Santafe de Bogota, D.C., Colombia
Tel: (571) 410-9555
Fax: (571) 410-5088
Internet: http://www.eltiempo.com

LA REPUBLICA
Calle 46 No. 103-59
Santafe de Bogota, D.C., Colombia
Tel: (571) 413-0053/0223/5077

Fax: (571) 413-0003/3725/415-6941
E-mail: repusen@interred.net.co
Internet: http://www.la-republica.com
Circulation: 20,000 daily

EL PAIS
Carrera 2 No. 24-46
Cali, Colombia
Tel: (572) 883-1183/5011
Fax: (572) 882-1082/ 889-7165
E-mail: diario@elpais-cali.com
Internet: http://www.elpais-cali.com
Circulation: 110,000 daily

EL COLOMBIANO
Carrera 48 No. 30-Sur-119 (Avenida Las Vegas)
Medellin, Colombia
Tel: (574) 331-5252
Fax: (574) 331-4849/4858
E-mail: elcolombiano@elcolombiano.com.co
Internet: http://www.elcolombiano.com
Circulation: 100,000 daily

EL HERALDO
Calle 53B No. 46-25
Barranquilla, Colombia
Tel: (575) 341-7077/351-1614/341-1152/341-1252
Fax: (575) 341-0342/341-6918/349-2379
E-mail: elheraldo@metrotel.net.co
Internet: http://www.elheraldo.com
Circulation: 80,000 daily

VANGUARDIA LIBERAL
Calle 34 No. 13-42
Bucaramanga, Colombia
Tel: (576) 633-4000
Fax: (576) 642-6749
E-mail: vlredac@multinet.com.co
Circulation: 45,000 daily

Major Colombian Newspapers (U.S. contact points):

El Tiempo
Contact: Luis Alberto Cano
P.O. Box 831988
Miami, FL 33283
Tel: (305) 384-2249
Fax: (305) 384-9152

El Tiempo
Latin American News Agency
7122 35th Avenue
Jackson Heights, NY 11372
Tel: (718) 478-4692
Fax: (718) 458-4774

El Espectador

7644 S.W. 106 Avenue
Miami, FL 33173
Tel: (305) 271-5822

Magazines:

CAMBIO
Carrera 9 No. 76-49, Piso 8
Santafe de Bogota, D.C., Colombia
Tel: (571) 317-6980/317-6803/317-6780
Fax: (571) 317-5680

CROMOS
Carrera 14 No. 93-68
Santafe de Bogota, D.C., Colombia
Tel: (571) 617-2000
Fax: (571) 617-2137/617-2141
E-mail: cromreda@latino.net.co
Internet: http://www.cromos.com.co

DINERO
Carrera 11A No. 93-94 Piso 4
Santafe de Bogota, D.C., Colombia
Tel: (571) 621-8741/83
Fax: (571) 621-9093/218-6450
Internet: http://www.dinero.com

SEMANA
Calle 93B No. 13-47
Santafe de Bogota, D.C., Colombia
Tel: (571) 622-2277/88
Fax: (571) 621-0476/75
E-mail: correo@semana.com
Internet: http://www.semana.com.co.

Major Television Programmers/Broadcasters:

TV - PROGRAMMERS

AUDIOVISUALES
Ms. Patricia Gossain, General Manager
Calle 37 No. 20-27
Santafe de Bogota, D.C., Colombia
Tel: (571) 288-6688
Fax: (571) 285-4916

CANAVERAL TV
Mr. Jorge Valencia-Rosas, General Manager
Calle 27 Norte No. 6 Bis-51
Cali, Valle
Tel: (572) 6681428
Fax: (572) 668-1431

CARACOL ESTUDIOS
Mr. Gabriel Restrepo, General Manager
Calle 27 No. 4-01
Santafe de Bogota, D.C., Colombia

Tel: (571) 243-0023
Fax: (571) 243-6001

CENPRO T.V.
Ms. Rocio Fernandez-de Diaz del Castillo, General Manager
Calle 66 No. 9-31
Santafe de Bogota, D.C., Colombia
Tel: (571) 347-7466
Fax: (571) 347-7228, 348-4140, 545-3255

CM& (PROGRAMADORA)
Ms. Claudia Cardenas, General Manager
Carrera 43A No. 21-82
Santafe de Bogota, D.C., Colombia
Tel: (571) 368-7878
Fax: (571) 368-7878

COESTRELLAS
Mr. Gustavo Cardenas-Giraldo, General Manager
Calle 100 No. 17-56
Santafe de Bogota, D.C., Colombia
Tel: (571) 635-4088
Fax: (571) 635-4088

COLOMBIANA DE TELEVISION S.A. (COLTEVISION)
Mr. Francisco De Zubiria-Gomez, President
Calle 97 No. 13A-18
Santafe de Bogota, D.C., Colombia
Tel: (571) 635-0066
Fax: (571) 218-1775

COMPANIA PRODUCTORA DE VIDEO S.A. (PROVIDEO S.A.)
Mr. Luis Eduardo Stepanovic-Venegas, General Manager
Carrera 13 No. 71-26/27
Santafe de Bogota, D.C., Colombia
Tel: (571) 255-3019
Fax: (571) 255-6446

CONSORCIO CANALES NACIONALES PRIVADOS
Ms. Guiomar Sanin-Posada, General Manager
Calle 85 No. 7-34
Santafe de Bogota, D.C., Colombia
Tel: (571) 611-0129
Fax: (571) 218-2527

CORPORACION LUMEN 2000 COLOMBIA
Mr. Diego Jaramillo-Cuartas, President
Carrera 73 No. 82-03
Santafe de Bogota, D.C., Colombia
Tel: (571) 434-2111
Fax: (571) 436-2447

CPS T.V. LTDA.
Mr. Carlos Fernando Zafra, General Manager
Calle 70 No. 5-23
Santafe de Bogota, D.C., Colombia
Tel: (571) 310-7388

Fax: (571) 310-6070, 544-9433

CPT (COMPANIA PRODUCTORA DE TELEVISION)
Mr. Francisco Pereira-Rodriguez, President
Carrera 6 No. 34-62, Oficina 201
Santafe de Bogota, D.C., Colombia
Tel: (571) 285-9050
Fax: (571) 285-8763

CREAR TELEVISION LTDA.
Mr. Argemiro Guerra, General Manager
Calle 95 No. 9A-42
Santafe de Bogota, D.C., Colombia
Tel: (571) 218-4611
Fax: (571) 257-8103

DATOS Y MENSAJES S.A.
Mr. Orlando Hernandez, General Manager
Calle 38 No. 15-31
Santafe de Bogota, D.C., Colombia
Tel: (571) 338-2500
Fax: (571) 288-4506

DIEGO FERNANDO LONDONO
Mr. Diego Fernando Londono-Reyes, General Manager
Calle 76 No. 12-61
Santafe de Bogota, D.C., Colombia
Tel: (571) 310-1311
Fax: (571) 212-4224

IMAGENES PRODUCCIONES LTDA.
Ms. Maria Lilia Maya-Blandon, General Manager
Calle 42 No. 81-28
Medellin, Antioquia
Tel: (574) 250-3237
Fax: (574) 250-2721

IRIS PRODUCCIONES
Mr. Juan Guillermo Garces, General Manager
Calle 9 No. 43A-31
Medellin, Antioquia
Tel: (574) 268-8855
Fax: (574) 268-8464

JES (PRODUCCIONES JES LTDA.)
Mr. Julio Sanchez-Vanegas, General Manager
Calle 21 No. 42A-10
Santafe de Bogota, D.C., Colombia
Tel: (571) 344-0400
Fax: (571) 368-8289

JJV T.V.
Mr. John Jairo Vasquez, President
Carrera 12A No. 77A-44
Santafe de Bogota, D.C., Colombia
Tel: (571) 613-3984
Fax: (571) 613-4034

JORGE BARON TELEVISION
Mr. Jorge Eliecer Baron, General Manager
Carrera 7 No. 50-27
Santafe de Bogota, D.C., Colombia
Tel: (571) 310-5804
Fax: (571) 310-5624

MORENO PRODUCCIONES
Mr. Jaime Moreno-Bravo, General Manager
Transversal 45 No. 97-87
Santafe de Bogota, D.C., Colombia
Tel: (571) 613-3984
Fax: (571) 613-4034

ORIGEN TELEVISION
Mr. Edgar Enciso-Ruiz, General Manager
Carrera 30 No. 90-65
Santafe de Bogota, D.C., Colombia
Tel: (571) 257-4114
Fax: (571) 635-8170

PLUS T.V.
Mr. Juan Manuel Ortiz, General Manager
Carrera 21 No. 82-64, Oficina 702
Santafe de Bogota, D.C., Colombia
Tel: (571) 616-7099
Fax: (571) 617-1441

PROCIVICA TV
Ms. Isabella Bernaza de Otolla, General Manager
Carrera 41 No. 5B-71
Cali, Valle
Tel: (572) 553-6449
Fax: (572) 553-6422

PRODUCCIONES COSMOVISION LTDA.
Mr. Ivan Dario Obando, General Manager
Carrera 53 No. 29A-130, Piso 4
Medellin, Antioquia
Tel: (574) 265-6511
Fax: (574) 235-2265

PRODUCCIONES HER LTDA.
Mr. Hernando Barrera, General Manager
Carrera 32 No. 91-64
Santafe de Bogota, D.C., Colombia
Tel: (571) 236-4827
Fax: (571) 611-1678

PRODUCCIONES PUNCH S.A.
Mr. Luis Fernando Jaramillo, President
Calle 43 No. 27-47
Santafe de Bogota, D.C., Colombia
Tel: (571) 269-4711
Fax: (571) 269-3539

PROGRAMAR TELEVISION
Mr. Augusto Ramirez-Ramirez, General Manager
Calle 36 No. 21-10
Santafe de Bogota, D.C., Colombia
Tel: (571) 288-1311
Fax: (571) 288-2545, 288-3757

PROYECTAMOS TELEVISION S.A.
Mr. Tulio Angel Arbelaez, President
Calle 20 No. 4-55 Piso 2,
Bogota, Colombia
Tel: (571) 341-0766
Fax: (571) 341-7141

R.T.I. (RADIO TELEVISION INTERAMERICANA S.A.)
Mr. Patricio Wills, President
Calle 19 No. 4-56, Piso 2
Santafe de Bogota, D.C., Colombia
Tel: (571) 282-7700
Fax: (571) 243-1221, 284-9012

TALLER DE TELEVISION
Ms. Maria del Rosario Ortiz-Santos, President
Calle 19 No. 4-56, Oficina 2018
Santafe de Bogota, D.C., Colombia
Tel: (571) 281-5995
Fax: (571) 283-1830, 281-5995

TELECOLOMBIA LTDA.
Mr. Samuel Duque, General Manager
Carrera 16 No. 37-20
Santafe de Bogota, D.C., Colombia
Tel: (571) 340-3734
Fax: (571) 338-0115, 287-9993

TELEVIDEO LTDA.
Mr. Francisco J. Munoz-Calle, President
Transversal 20 No. 60-60, Barrio San Luis
Santafe de Bogota, D.C., Colombia
Tel: (571) 212-9300
Fax: (571) 212-5857

TEVECINE (PRODUCCIONES TEVECINE S.A.)
Mr. Jorge Ospina-C., President
Carrera 36 No. 91-08
Santafe de Bogota, D.C., Colombia
Tel: (571) 616-2343
Fax: (571) 616-2654

TV - BROADCASTERS

CANAL A
Mr. Fernando Barrero, General Manager
Avenida Suba No. 106A-28, Oficina 405
Santafe de Bogota, D.C., Colombia
Tel: (571) 617-9525
Fax: (571) 613-9816

CANAL CAPITAL
Mr. Gabriel Vallejo-Lopez, General Manager
Carrera 11A No. 69-43
Santafe de Bogota, D.C., Colombia
Tel: (571) 347-9553
Fax: (571) 310-1537

CANAL UNO
Ms. Mariana Cortes, General Manager
Calle 66 No. 9-31
Santafe de Bogota, D.C., Colombia
Tel: (571) 347-6000
Fax: (571) 348-4140

CARACOL
Mr. Ricardo Alarcon, President (i)
Calle 76 No. 11-35
Santafe de Bogota, D.C., Colombia
Tel: (571) 321-1660
Fax: (571) 321-1670

CITY TV
Mr. Ivan McAllister, General Manager
Avenida Jimenez No. 6-77, Edificio El Tiempo
Santafe de Bogota, D.C., Colombia
Tel: (571) 336-7278
Fax: (571) 281-8351

RCN
Mr. Gabriel Reyes, President
Avenida de Las Americas No. 65-82
Santafe de Bogota, D.C., Colombia
Tel: (571) 426-9292
Fax: (571) 414-0412/ 420-2616

SENAL COLOMBIA
Mr. Alfonso Kohn-Hinestrosa, General Manager
Calle 26 Avenida Eldorado, CAM, Inravision
Santafe de Bogota, D.C., Colombia
Tel: (571) 222-4516
Fax: (571) 222-1640

TELEANTIOQUIA
Mr. Francisco Alonso Garces-Correa, General Manager
Calle 41 No. 52-28
Medellin, Antioquia
Tel: (574) 262-1050
Fax: (574) 262-0832
E-Mail: info@teleantioquia.impsat.net.co

TELECAFE
Ms. Adriana Maria Wolf-Cuartas, General Manager
Carrera 24 No. 19-51
Manizales, Caldas
Tel: (5768) 846270
Fax: (5768) 844623

E-Mail: telecafe@col2.telecom.com.co

TELECARIBE
Mr. Julio Andres Farah, General Manager
Carrera 54 No. 72-142, Piso 3
Barranquilla, Atlantico
Tel: (575) 358-2041
Fax: (575) 356-0924
E-Mail: tvcaribe@metrotel.net.co

TELEISLAS
Mr. Walt Hayes, General Manager
Inravision La Loma
San Andres, San Andres y Providencia
Tel: (57851) 25431
Fax: (57851) 26995

TELEMEDELLIN
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Fax: (574) 262-3735

TELEPACIFICO
Mrs. Mariana Garces-Cordoba, General Manager
Calle 5 No. 38A-14, Piso 3, Centro Comercial Imbanaco
Cali, Valle
Tel: (572) 518-4000
Fax: (572) 558-8281
E-Mail: telepacifico@emcali.net.co

TELEVISION REGIONAL DEL ORIENTE
Mr. Sadi Alfonso Contreras-Fuset, General Manager
Calle 48 No. 27A-48, Piso 5
Bucaramanga, Santander
Tel: (577) 657-2835
Fax: (577) 657-2837
E-Mail: tro@hotmail.com

TV ANDINA
Mr. Miguel Laverde, General Manager
Transversal 27 No. 39-29
Santafe de Bogota, D.C., Colombia
Tel: (571) 570-2454/60/64
Fax: (571) 570-2480
E-Mail: tvandin1@col1.telecom.con.co

Pricing Products

U.S. exporters should note that consumers in Colombia usually end up paying an additional 85 to 100 percent over the FOB price of imports. Landed price of consumer goods is calculated by estimating 10 to 15 percent of the FOB price for freight and insurance costs, 20 percent CIF import duty, and a 16 percent value-added tax (IVA) assessed on the CIF-duty-paid value of imports, thus reaching an additional 60 percent over the FOB price. Additional import costs for capital goods and raw materials are much less (between 35 and 55 percent) with import duties for these items ranging between zero and 5 percent for capital goods, and 10 to 15 percent for raw materials. Profit margins for equipment and raw materials are considerably less than for consumer goods which may well reach 40 percent. Besides import costs, financing, inflation, and peso devaluation levels are factored into suggested retail prices. Local manufacturers usually work with a markup varying from 15 to 35 percent and wholesalers with 15 to 25 percent markup.

Supermarkets and department stores often establish margins of 30 to 40 percent (which fluctuate if the product is supported by a good advertising campaign). Hypermarket margins may be less because of their wholesaler characteristics and because most of their promotional campaigns are addressed to institutional entities and other small retailers. Department stores and supermarkets extend concession contracts to individuals and companies by permitting counters or booths in their facilities for the promotion and sale of all kinds of consumer goods, both known and unknown labels at discount prices in most cases. If products are not known in the market, the department stores and/or supermarkets may place them in the stores on a demonstration basis for a given period of time and will only place new orders if the products are well accepted by the public and sell relatively fast. Suppliers to large store chains, supermarkets, and hypermarkets must provide certain guarantees on the continuity of products offered to avoid foreign surplus stock or remnants entering the Colombian market (i.e., foodstuffs, textiles, apparel, appliances, etc.) Imports of old or used clothing, closeouts, irregulars, off-season or expired merchandise is prohibited.

Sales Service/Customer Support

After-sales service and customer support is a decisive purchasing factor in Colombia. Government and private firms very often request that their potential suppliers provide testimonials regarding satisfaction of other clients with equipment and after-sales service. A common practice among Colombians is to ask friends and relatives about their experience with a given product before making a purchasing decision.

Selling to the Government

Government entities, institutes and commercial enterprises must follow the provisions of Law 80 of October 31, 1993 which regulate purchases and contracts by the government and state industrial and commercial enterprises.

Under Law 80, Colombian Government contracting agencies have to select contractors through a public competitive bidding process. There are a few exceptions to this rule which are clearly established by Article 24 of Law 80. Some of the exceptions under which direct contracting procedure is allowed are:

- Contracts for minor amounts-minor amounts are expressed in multiples of the established legal minimum monthly salary (around US $136 for 1999). A minor amount may range from 25 minimum monthly salaries (about US $3,400) to 1,000 minimum monthly salaries (around US $136,000), depending on the annual budget of the contracting entity.

For instance: if the annual budget of the contracting entity is less than or equal to 6,000 minimum monthly salaries (around US $816,000), it is allowed to acquire goods and services under direct contracts which do not exceed 25 minimum monthly salaries in value; if the annual budget of the contracting agency is equal to or exceeds 1,200,000 minimum monthly salaries (around US $163.2 million) it may purchase goods and services under direct contracts that do not exceed 1,000 monthly salaries in value;

- Loan agreements; inter-agency administrative contracts; professional, scientific and technological services; and evident emergencies; and

- Whenever bidding is not awarded for reasons such as: lack of proposals; when the bids do not conform to the terms of reference or specs; when there is only one bidder; when products originating in or destined to agriculture or livestock breeding are offered through legally organized commodities exchanges; and in contracts executed by State (Government) entities for the rendering of health services.

Although Law 80 has given more dynamism to the government contracting system, Colombia is still not a signatory (acts as an observer) to the WTO (World Trade Organization) government procurement code and there have been frequent complaints of non-transparency in the letting of major government contracts.

As a general rule, all individuals and legal entities that wish to execute contracts with state entities have to register with the chamber of commerce in their jurisdiction in order to be qualified, classified, and rated in accordance with the provisions of Law 80. Foreign individuals not domiciled in Colombia or foreign private legal entities without a branch in Colombia that are interested in government contracts must provide a copy of their registration at the corresponding registry in their country of origin. They should also submit documents proving their existence and incumbency, whatever is the case. In addition, they must appoint an agent or legal representative, domiciled in Colombia, duly empowered to bid and execute the contracts as well as to represent the foreign enterprise in and out of court.

Under Law 80, Colombian bidders get preferential treatment. Given equal contracting conditions, the offer of goods and services of domestic origin is preferred. The current administration has strongly recommended that all official entities, and government decentralized, industrial and commercial organizations "buy Colombian". Under similar conditions, all the Colombian government acquisitions must give preference to Colombian products and services whenever Colombian competitive prices and quality versus "foreign" are found; same procedures should follow in connection with concession and association contracts signed with Colombian government entities. When foreign firms bid under equal conditions, the contract is awarded to the one that incorporates a greater number of domestic workers in the work-force, more domestic content, and better conditions for technology transfer.

Certificate of Reciprocity

The Colombian Government procurement statute, although liberal, impedes complete access by imposing a requirement for certifying reciprocity. The principle of reciprocity embodied in Law 80 ensures national treatment under the same conditions for Colombian bidders in other countries. The U.S. Government is unable to provide such a certificate, as each of the fifty U.S. states acts as a separate commercial jurisdiction. The eventual adhesion of Colombia to the World Trade Organization (WTO) General Agreement on Government Procurement would permit U.S. businesses to drop their concern about a certificate of reciprocity. In the meantime, the Department of State provides a certificate that U.S. companies may offer in lieu of a statement certifying reciprocity. Certificates can be obtained from the Political/Economic Section of the U.S. Embassy in Bogota. Companies requiring this document should be prepared to provide the following information: their company name, tender name, tender number, name of the Colombian entity letting the tender and the general purpose of the tender.

Protecting your Product from IPR Infringement

See Chapter VII - Investment Climate: Protection of Property Rights - for a detailed discussion of these issues.

Need for a Local Attorney

U.S. companies bidding on major government, or even private sector, projects/procurement and those entering into joint-venture and/or other long-term contractual arrangements should seek professional legal advice. Also, companies who are concerned about the protection of intellectual property such as trademarks, copyrights and patents should also seek legal counsel to ensure that their property is protected as much as possible before entering the Colombian market. There are a large number of good Colombian law firms who specialize in various aspects of commercial law. A number of the major U.S. firms who operate internationally have affiliate arrangements in Colombia.

The Commercial Service of the American Embassy in Bogota can provide a list of attorneys upon request.

V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENTS

A. Best Prospects for Non-Agricultural Goods and Services
(Statistics in all sectors are unofficial estimates.)

1. TELECOMMUNICATIONS SERVICES (TES)
2. TELECOMMUNICATIONS EQUIPMENT (TEL)
3. INDUSTRIAL CHEMICALS (ICH)
4. TRAVEL AND TOURISM (TRA)
5 OIL AND GAS MACHINERY (OGM/OGS)
6. MEDICAL EQUIPMENT (MED)
7. POLLUTION CONTROL EQUIPMENT (POL)
8. PROCESS CONTROLS: INDUSTRIAL (PCI)
9. COMPUTERS AND RELATED EQUIPMENT (CPT)
10. FOOD PROCESSING AND PACKAGING EQUIPMENT (FPP)
11. ELECTRICAL POWER SYSTEMS (ELP)
12. PLASTIC MATERIALS AND RESINS (PMR)
13. CONSTRUCTION AND MINING EQUIPMENT (CON/MIN)

14 APPAREL (APP)
15. AUTOMOTIVE PARTS AND ACCESSORIES (APS)

1. TELECOMMUNICATIONS SERVICES (TES)

According to the International Telecommunications Union (ITU), the world telecommunications services market grew from just under US $400 million in 1990 to over US$ 700 billion at the end of 1998. In Colombia the telecommunications services market is expected to reach US $690 million by the end of 1999, with an estimated 12 percent annual growth in real terms during the period 1999-2001.

Until recently, opportunities for trade in telecommunications services in Colombia had been relatively limited due to the government's monopoly of services provided by a national carrier, TELECOM. The trend in Colombia is toward freeing up the services market. Since November 1998 two other domestic and international long distance carriers, ORBITEL and ETB, have been able to compete in supplying domestic and long distance service.

Colombia represents a growing market for U.S. suppliers of telecommunications services. Best prospects will be driven by the convenience of utilizing "mobile" and "wireless" solutions to assist in the development of the communications infrastructure. Future demand will be driven by a fundamental shift to personal communications; communications will be among people, not places.

Cellular service began commercial operation in Colombia in June 1994, and is strongly competing with paging, trunking and the conventional fixed telephony services. As of April 1999 the number of subscribers exceeded 2 million. Declining prices, wider access and introductory promotional campaigns have been revolutionizing this market. The Government of Colombia announced in June 1999 that the introduction of PCS services would be postponed until the year 2002.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	450.0	590.0	600.0
B.	Locally Owned Establishments	320.0	400.0	450.0
C.	Cross Border Exports**	110.0	110.0	120.0
D.	Cross Border Imports*	240.0	300.0	370.0
E.	Imports from the U.S.	160.0	200.0	250.0
F.	Exchange Rate (year end)	1.293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

* These are sometimes considered as Sales by Foreign Owned Establishments
** These are sometimes considered as: Foreign Sales by Local Establishment and/or Sales by U.S. located Establishments

2. TELECOMMUNICATIONS EQUIPMENT (TEL)

In general, the demand for telecommunications and related equipment is growing substantially in Colombia. In 1998, the size of the Colombian market for communications equipment amounted to US $686 million of which US $680 million were imports. The total market is expected to expand at 7 percent per year during the period 1999-2001, while imports will grow at 8 percent. US suppliers are expected to obtain 55 percent of the import supply market (US $374 million) in 1999. The US share is expected to reach 65 percent by 2001. The communications sector is now in the process of migrating to digital technology and this trend will induce a significant growth in the market.

Although the U.S. remains the market leader it is facing an ever increasing competition from European, Japanese and Canadian suppliers. Major third country suppliers of communications and related equipment and parts are: Japan (NEC-Fujitsu/Compel, and National Panasonic) transmission circuits; Sweden (LM Ericsson) transmission circuits, switching systems; and Germany (Siemens). Other countries aggressively competing in the Colombian equipment and services markets are: France (Alcatel, Thompson), England and recently Spain. U.S. manufacturers such as Motorola, Lucent, Hughes, Harris & Qualcomm are now competing with subsidiaries of European companies - Siemens (Germany) and LM Erickson (Sweden) - established in Colombia for more than 40 years.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	650.0	686.0	690.0
B.	Total Local Production	12.6	13.0	13.0
C.	Total Exports	6.5	7.0	7.0
D.	Total Imports	643.9	680.0	680.0
E.	Imports from the U.S.	279.5	350.0	374.0
F.	Exchange Rate(year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

3. INDUSTRIAL CHEMICALS (ICH)

The Colombian import market for industrial chemicals reached $2.3 billion in 1998, of which $167.8 million are for industrial inorganics, $900.5 million for industrial organics, $396.3 million for pharmaceuticals, $178.1 million for fertilizers, $149.7 million for dyes and tanning materials, $117.2 million for perfumes and cosmetics, $94.3 million for pesticides, $69.9 million for soaps, wax and cleaning preparations, $36.8 million for adhesives and sealants, $9.0 million for explosives and $198.2 million for miscellaneous chemical products.

The chemical sector is one of the largest and most complex industry sectors in Colombia. The chemical sector accounts for approximately 9.3 percent of employment in industry. It also represents 6.7 percent of all firms and 15.0 percent of gross manufacturing production. The market depends extensively on foreign imported raw materials.

There are approximately 533 local and multinational chemical manufacturers in Colombia of which 114 produce industrial chemicals.

Most local producers of petrochemicals and agricultural chemicals are multinationals, chiefly from the U.S., with known traditional market brands. National producers import basic ingredients from the U.S. and Europe for further transformation and distribution both locally and internationally to companies in agrochemical, textile, cosmetic, pharmaceutical, construction, foodstuffs, plastic and leather sectors.

U.S. chemicals are well accepted by all industries in Colombia. Principal competitors of U.S. products are of European origin with known trademarks such as, Henkel, Hoechst, Rodia, Rhone Poulenc, Roche, Degussa, Mallincroft, Basf, Bayer, Ciba-Geigy, Sandoz, ICI, and Shell. Well-known U.S. marks are, Dow Chemical, Texaco, Union Carbide, Pfizer, PPG, Rohm & Haas, Occidental, Allied Chemical, Stauffer, Monsanto, Exxon, Emery, Atlas Corp. Charles Crystal, Du Pont, Cyanamid, Burlington Chemicals, Gaf Corp., Pennwalt, etc.

The Colombian market demand for basic chemicals for all industries, especially active ingredients for the pharmaceutical, cosmetics, food and beverage processing industries, should increase about three percent by the end of year 2000. The chemical sector grew an average of 3.0 percent annually between 1995 and 1998. Imports of chemical products may increase at an estimated average annual rate of three percent during the next three years.

The entire chemical sector was particularly favored by the open economy measures of 1991 known as "apertura" with free licensing and minimum import requirements for about 85 percent of chemical product tariff classifications. Furthermore, Andean Community provisions will provide patent protection after the year 2000 for basic chemicals, active ingredients and several substances ordinarily imported by the majority of industry sectors including the pharmaceutical, veterinary, cosmetics and food processing sectors, which could lead to new product development and investments in sectors with high consumption of industrial chemicals.

The current market for industrial chemicals in Colombia is estimated at USD $2.1 billion. Industrial investment and research and development will enhance future prospects in this sector despite current negative economic, financial and trade indicators. Colombia's ability to compete in a globalized world will depend on its ability to modernize and automate its industrial infrastructure. Increased industrial investments are required in the food and beverage, pulp and paper, chemical and the majority of processing industries, in addition to the energy, oil & gas, coal, water supply, water and wastes treatment, and the application of environmental technologies in order to expect increased sales of industrial chemicals.

U.S. suppliers have good opportunities to maintain their high share of the market for industrial chemicals as moderate expansion is continuously being carried by some private firms in the petrochemical and chemical sectors; likewise the development of oil and gas fields in Colombia have required investments of an estimated $6.0 billion between 1994 and 1997. The two major refineries in Barranca and Cartagena will continue to be modernized, and there are firm plans for constructing two new refineries by the private sector although their sites and implementing dates have not been determined as yet.

In addition, water and waste water treatment, pulp and paper, electric and gas utilities, petroleum refining, plastics production, metalworking, automotive assembly, food and beverage processing, water supply, and environmental technologies projects will contribute to market opportunity growth in this sector.

Traditionally, the United States has been a major supplier of industrial chemicals to Colombia. The U.S. share of the Colombian import market of industrial chemicals should remain at the average 40-43 percent level, except for pesticides (25%), dyes and tanning materials (23%) and pharmaceuticals (14-15%). A total of $818.5 million in imports from the U.S. were recorded in 1998.

Best sales prospects include white mineral oils, alcohols, phenols, o-acetylsalicylic acid, its salts and esters, amino-acids, vegetable and synthetic tanning and coloring substances, essential oils, flavorings, fragrances or odoriferous (raw materials) substances, base chemical products for cosmetics, soaps, detergents and cleaning, sodium bicarbonate, phosphates, chlorides, iodine, camphor, and surface-active agents (tensoactives).

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	2,047.3	2,047.8	2,106.4
B.	Total Local Production	539.4	555.6	561.2
C.	Total Exports	762.1	825.7	842.2
D.	Total Imports	2,270.0	2,317.9	2,387.4
E.	Imports from the U.S.	843.3	818.5	835.6
F.	Exchange Rate	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

4. TRAVEL AND TOURISM (TRA)

Colombia ranks 17th among the top twenty overseas countries generating visitors to the United States. In 1998, approximately 561,000 passengers traveled to the U.S., approximately 8% over the previous year (40.2 percent of the total passengers travelling abroad). In 1999, travel to the U.S. is expected to increase by 5% to reach 589,000 passengers to the U.S. during the year.
Florida is the most popular destination (65%), followed by New York (40%), California and Texas (10%). 60% of the Colombian travelers are tourists, 30% are business travelers and the remaining 10% are students and professionals attending courses, seminars, trade fairs and conventions.

An average Colombian visitor stays for at least 7 days and is primarily interested in sightseeing, shopping and outdoors entertainment. While travelling the average expenditure is of US $150/day per traveler, excluding air ticket.

Data Table (in million of US dollars)

		1997	1998	1999

Expenditures of Colombian Travelers in USA	542.0	590.0	619.0
Expenditures of Colombian Travelers in third countries	764.0	822.0	863.0
Total Market	1,306.0	1,412.0	1,482.0
Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

5. OIL AND GAS MACHINERY (OGM/OGS)

Colombia has thirteen sedimentary basins with an area of 88.7 million hectares. Only 11.4 percent of this area have been explored. This indicates that there is high potential growth for the oil sector's equipment and services market in Colombia.

According to the Ministry of Mines and Energy, it will be necessary to invest, as a minimum, four billion dollars in exploratory activities during the next 13 years to maintain Colombia's self-sufficiency and an export surplus. The Colombian Petroleum Corporation (Empresa Colombiana de Petroleo - ECOPETROL) has warned that the country could become an oil importer by year 2005 if new deposits are not discovered soon.

The Colombian Ministry of Mines and Energy is considering adding new incentives to attract the needed investments. Modifications under consideration include reducing royalty payments from a flat 20 percent of total production to a percentage that would vary according to the volume of production and international oil/gas prices. Other proposals aim at reducing the Government's current 50 percent participation in the profits after deducting royalties and costs. This participation would fluctuate according to the size of the reserves discovered.

Reasons for the lack of interest in oil/gas exploration have been: poor infrastructure in Colombia's oil regions, a low rate of return for foreign investors, high economic risk (most fields found in Colombia have been small with high exploration and development costs), and the threat of guerrilla groups.

It is expected that oil/gas exploration would really boom with the new incentives and with an improvement of security conditions.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	881.5	836.7	753.0
B.	Total Local Production	53.0	50.0	45.0
C.	Total Exports	3.5	3.3	3.0
D.	Total Imports	832.0	790.0	711.0
E.	Imports from the U.S.	499.3	434.5	391.0
F.	Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

6. MEDICAL EQUIPMENT (MED)

The total market for medical equipment, devices, and supplies in Colombia is expected to increase 3.0 percent in 1999-2000 from USD $ 220.3 to USD $227 million. The Colombian import market for medical equipment is expected to increase during 1999-2001 and subsequent years at 2-3 percent per annum. The United States share of the market will increase accordingly. U.S. manufacturers of medical equipment are the leading suppliers, with approximately a 54 percent share of the import market during the period 1997-1999.

This sector is still considered a good prospect for U.S. suppliers, despite the Colombian economic recession. Payment delays from governmental institutions have caused liquidity deterioration in many sectors, including health care administration companies, adversely affecting health care delivery entities such as hospitals, clinical laboratories.

Nevertheless, the Colombian economy is expected to recover beginning the second semester of 1999 or during the first semester of 2000. In the new millennium, once Y2K problems start to recede, health care entities will look to updating technology and equipment to improve productivity and efficiency.

Although major market demand will be concentrated on preventive health care equipment, such as laboratory and early diagnostic equipment and devices, from 2000 on, demand will grow predominantly for medical and hospital equipment and instrumentation including radiotherapy, surgery instruments, and devices.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	216.2	220.3	227.0
B.	Total Local Production	70.4	71.0	74.0
C.	Total Exports	5.0	26.0	27.0
D.	Total Imports	170.8	175.3	180.0
E.	Imports from the U.S.	89.9	93.8	97.0
F.	Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

7. POLLUTION CONTROL EQUIPMENT (POL)

In 1998, the estimated market for pollution control equipment was about US $123 million with a U.S. market share of 60.1 percent or US $75.8 million. In an effort to improve pollution control, Colombian environmental agencies continued implementing the wastewater retributory tax and the development of regional funds that will help finance treatment plants. Other regulations regarding solid and hazardous wastes are expected to be adopted in the near future, as well as the implementation of cleaner production technology policies which promote resource conservation and more efficient production processes that reduce pollution emissions.

Government sources point to the need for an annual investment level of US $3.3 billion by private industries and government entities to improve the country's environmental conditions. A major obstacle to the sector's growth is the current fiscal deficit that affects the availability of resources from the government budget. Most public sector funds are anticipated to come from transfers from the electric power sector and receipt of royalties, taxes, and other contributions.

The private sector is increasingly participating in financing of environmental goods and services with less financing from the central government. New financing schemes include new credit and tax incentives like sales and income tax exemptions for environmentally sound technologies, new economic instruments and retributory taxes, the acquisition of carbon dioxide sequestration options and other stock market alternatives.

Promising subsectors include water and wastewater treatment plants, water pollution monitoring and control equipment, solid waste hauling and disposal equipment, air pollution monitoring and control equipment, and environmental services (consulting). The operation and management of municipal services such as potable water and solid waste collection, hauling and disposal has good market potential for private firms.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	120.0	123.0	128.0
B.	Total Local Production	36.0	34.0	30.0
C.	Total Exports	2.0	1.8	1.0
D.	Total Imports	121.6	124.6	130.0
E.	Imports from the U.S.	82.7	75.8	85.0
F.	Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

8. PROCESS CONTROLS: INDUSTRIAL (PCI)

The Colombian market for process control instrumentation is expected to reach approximately USD$65 million by the end of 1999. The 1998 market for process controls in Colombia was USD$63 million. Future growth in this sector will be driven by recovery of industrial output, increased industrial investment, research and development.

The U.S. has been very competitive for many years in the industrial instruments and controls sector with an average in the 1996-1998 period of 60 percent share of the Colombian import market followed by Germany (7.0%), U.K (5%), Japan (4.0%), Italy (3.0%) and Spain (3.0%).

The most promising product lines are instruments and apparatus for measuring or checking the flow or level of liquids; instruments and apparatus for measuring or checking pressure; parts and accessories for instruments or apparatus under HS chapter 90 (instruments for testing properties of materials, hydrometers, thermometers, pyrometers, barometers, hygrometers, psychrometers, instruments for checking the flow, level, pressure or other variables of liquids or gases, instruments for physical or chemical analysis, automatic controlling or regulating instruments, and industrial process control instruments); complete control instrumentation systems; valves, and solenoids; temperature, draft and humidity control instruments; control software, and programmable logic controls (PLC & DCS). New products with high market potential include bargraphs, digital displays and transducers for plant and machinery automation projects.

The top worldwide suppliers of industrial process control instrumentation are present in Colombia - Honeywell, Emerson Electric, Foxboro, Allen Bradley & General Electric (U.S.), ABB (Switzerland), Siemens (Germany), Elsag Bailey (Italy), Siebe (U.K.), and Yokogawa (Japan).

Process control instrumentation is mostly used in the chemical processing and energy industries. Increased demand for instrumentation and control products will be spurred by more intensive oil and gas exploration and exploitation, expansion and modernization of refineries and other petrochemical facilities, an annual moderate growing demand for electric power which may call for increased installed capacity and development of new hydro and thermal projects. In addition, water and waste water treatment, pulp and paper, electric and gas utilities, petroleum refining, plastics production, metalworking, automotive assembly, food and beverage processing, water supply, and the application of environmental technologies could also contribute to increased sales of industrial process controls.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	61.4	63.0	64.9
B.	Total Local Production	1.8	1.9	1.9
C.	Total Exports	0.5	0.5	0.5
D.	Total Imports	60.1	61.5	63.5
E.	Imports from the U.S.	33.1	38.5	42.3
F.	Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

9. COMPUTERS AND RELATED EQUIPMENT

By the end of 1999 there will be more than 2.5 million computers in use in Colombia. By the end of the century the CPT sector will represent over two percent of GDP. Current trends suggest that, because of the country's political and economic crisis, the import market for computers and related products may suffer a slowdown in 1999; however, the market should recover in 2000. Declining prices and wider access have revolutionized the structure for the home PC market, resulting in a larger market share for this segment, as well as the fastest growing sub-sector demand.

By December of 1999 it is estimated that 500,000 PCs will be connected to internet in Colombia. A rapid growth of local users can be projected given the constant advertising in the media of the Information

Superhighway. Forty companies are currently providing internet subscription in Bogota and fourteen of the largest cities.

In spite of the Colombia's "apertura" (market opening) policy, CPT products continue to be smuggled into Colombia as contraband or through money laundering activities. Such imports do not show up in official import data. Colombian imports currently represent 10 percent of the total Latin American market, third after Brazil and Mexico.

Industry analysts estimate that with the recently developed H.gcp (Gateway Control Protocol) agreement, international telephone traffic over internet gateways will grow from a mere 1% of all traffic in 1997 to 25% by 2003 with a market value of US $7 billion. In fact, at the invitation of the University of Chile, and under the auspices of the International Telecommunications Union (ITU), the multimedia services and systems technical group reached on May 28, 1999, a milestone agreement in the definition of one of the most important new internet-related standard; which has been referred to as H.gcp (Gateway Control Protocol).

The new standard permits control of gateway devices that pass voice, video, facsimile and data traffic between conventional telephony networks and packet based data networks such as the internet. Connections through these gateways allow callers from a normal telephone to make long distance voice calls over the Internet or other packet networks. H.gcp is seen as an important addition to the H.323 family of recommendations, which have already been widely adopted by the industry as the standards for multimedia communications over the internet.

Use of packet based networks for carrying voice and other multimedia traffic is generating intense interest from both Internet users and service providers. Users are excited by the prospect of lower cost long distance telephony, and service providers see new opportunities in the telephony market, as well as the prospect of offering new services based on the integration of facsimile, voice, video and data.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	570.0	600.0	590.9
B.	Total Local Production	2.0	3.0	3.0
C.	Total Exports	12.0	15.0	15.0
D.	Total Imports	580.0	588.0	602.0
E.	Imports from the U.S.	487.0	500.0	500.0
F.	Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

10. FOOD PROCESSING AND PACKAGING EQUIPMENT (FPP)

The Colombian food processing sector (excluding beverages) had an annual growth of 3.7 percent during 1998. The food processing sector accounts for 27 percent of national manufacturing production; it provides 19 percent of total industrial employment, has the highest number of companies, and its exports generate the largest amount of foreign exchange within the industrial sector. By the end of 1998, the sector was not only one of the few that showed a positive growth, but also its sales grew 2.2 percent in real terms.

Despite the economic recession, producers require modern technology and equipment to maintain a growing market share. Food processors must optimize productivity to be able to maintain competitive prices, fund promotional campaigns, and remain in the market. Updating and obtaining, in particular, cost saving food processing and packaging equipment is a key to staying competitive in the market.

The two most prominent sub-sectors of food processing are dairy, which is responsible for 15 percent of the food processing production, and the milling sub-sector that represents 20 percent. Of these two sub-sectors, dairy has traditionally maintained its production processes more up-to-date with state-of-the-art technology and equipment. In recent years, large dairy processing companies in Colombia have shown a trend toward diversifying into other food processing sub-sectors such as fruit preserves, pulps, and juices.

Equipment acquisition and modernization for both the food processing sector as a whole and the dairy sub-sector are expected to continue growing as shown in the following statistics.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	66.0	315.0	348.0
B.	Total Local Production	45.0	47.0	47.0
C.	Total Exports	11.0	13.0	13.0
D.	Total Imports	232.0	281.0	314.0
E.	Imports from the U.S.	55.0	60.0	61.0
F.	Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

11. ELECTRICAL POWER SYSTEMS (ELP)

According to official projections, Colombia would have to add 6,200 MW to its total electric power generation installed capacity during the period 2001-2010 to meet the demand for electricity that is expected to average 5.9 percent annual growth during this period. The 6,200 MW to be added during 2001-2010 would be distributed as follows: 1,370 MW (22.0 percent) in hydroelectric projects, 3,230 MW (52.0 percent) in gas-fired projects, and 1,600 MW (26.0 percent) in coal-fired projects. The private sector is expected to provide resources to develop most of this additional capacity.

During the last four years, a large number of power generation projects were initiated and/or completed in Colombia. Some were developed by government electric power utilities; others were constructed by private firms through concession contracts, usually under a BOMT (build-operate-maintain-transfer) or similar scheme. More recently, private consortia are developing their own 100 percent-owned projects.

Most of the generation projects scheduled for development during 1997-2000, and their associated transmission plans, have already been completed or are underway. Due to the current economic difficulties, electric power demand has decreased significantly. No new electric power generation project would be initiated during the rest of 1999. The sector is expected to start recovering during the second semester or year 2000. In the meantime, the most important business opportunities in the Colombian electric power sector are those offered by the privatization of several electric power utilities where the central government has a major ownership: the firms ISA, ISAGEN, and a group of 14 electrical distribution firms that the government saved from bankruptcy through direct investment.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	733.0	696.0	676.0
B.	Total Local Production	286.0	272.0	264.0
C.	Total Exports	47.0	45.0	43.0
D.	Total Imports	494.0	469.0	455.0
E.	Imports from the U.S.	222.0	211.0	205.0
F.	Exchange Rate(year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

12. PLASTIC MATERIALS AND RESINS (PMR)

During the last 15 years the plastics sector in Colombia grew at 7 percent per year with the exception of 1998. The consumption of plastic resins in 1998 was estimated at 529,000 tons. Local per capita consumption of plastics is estimated at 13.5 kilograms per year. There are approximately 200 plastic industries, which employ nearly 35,000 people.

According to local industry sources, the plastics sector grew 5 percent in 1998 from US $492.9 million in 1997 to US $519.0 million in 1998. For 1999, it is expected to fall by 12 percent to approximately US $463.0 million as a result of the general slowdown of the economy. The United States continues to maintain approximately 45 percent of the total import market with US $149.1 million in 1998 and approximately 50 percent in 1999 with US $146.7 million.

Industry sources forecast that the Colombian plastics industries will double growth and annual production in the first decade of the new millennium. New investments in both equipment and raw materials within the next ten years should amount to approximately USD $7.6 billion dollars. Colombia should remain attractive to U.S. suppliers in anticipation of rapid growth in such key industries as motor vehicles, construction, packaging, and consumer durables. Polyethylene, polypropylene, polyvinyl chloride emulsions and suspensions, polystyrene, and PET are the most used by the Colombian plastics industries.
Data Table (in million of US dollars)

	1997	1998	1999

A.	Total Market Size	492.9	519.0	463.0
B.	Total Local Production	408.9	392.5	365.0
C.	Total Exports	227.3	200.0	190.0
D.	Total Imports	311.0	326.5	288.0
E.	Imports from the U.S.	136.8	149.1	146.7
F.	Exchange Rate(year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

13. CONSTRUCTION AND MINING EQUIPMENT (CON/MIN)

The Colombian government expects to increase investments in highway construction and upgrades during the upcoming years. The private sector is expected to assume a large portion of the needed investment under the concession program. Additional investments also involve state and city road networks, railroads, airports and ports (sea and fluvial). Colombia's road network suffers from a high degree of deterioration, lack of maintenance, and has insufficient geographic coverage. Since roads transport most of the country's cargo (more than 80 million tons per year) and only 37 percent of the paved highways can be considered in good condition, major new investment in this area will be needed. For road construction, earth-moving and road rehabilitation and maintenance equipment offers most potential.

The Government is currently developing the national mining development plan aimed at attracting foreign investment and having private sector firms take over mining exploration and production projects. The centerpiece of these efforts is the mining code, which will be presented for discussions in Congress sometime during 1999. Environmental protection issues and cleaner production technologies are a central concern of this proposed code, as well as streamlining administrative procedures regulating registration and permits.

The majority of mines are open-pit, although there are some minor underground mining operations. The largest Colombian mining operations involve U.S. participation. Coal projects (such as La Loma and El Cerrejon) account for most of the mining volume in the country, with a production of over 21 million tons per year. Best prospects for mining equipment include shovels, excavators, front loaders and related equipment and parts.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	226.9	238.5	232.0
B.	Total Local Production	10.1	10.5	10.0
C.	Total Exports	3.2	3.0	3.0
D.	Total Imports	220.0	231.0	225.0
E.	Imports from the U.S.	122.0	128.0	120.0
F.	Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

14. APPAREL (APP)

The total import market for apparel in Colombia in 1999 is expected to reach $69 million (52% knit apparel and 48% not-knit apparel). The United States is a major supplier of apparel to Colombia and is expected to maintain its 59-60 percent share ($45 to $50 million) of the Colombian import market followed by Italy (9%), Hong Kong (5%), China (4%) and Ecuador (2%). Selected consumer goods, including apparel, are freely imported into Colombia - no license required - but an import registration form is needed. Colombian consumers show a preference for U.S. marks and labels, fashion, styles, designs, prints and quality.

U.S. exporters should note that consumers in Colombia usually end up paying an additional 60 to 120 percent over the FOB price of imports. Landed price of apparel is calculated by estimating ten to fifteen percent of the FOB price for freight and insurance costs, twenty percent CIF import duty, and a sixteen percent value-added tax (IVA) assessed on the CIF-duty-paid value of imports, thus reaching an additional fifty-three to sixty percent over the FOB price. Final retail prices usually depend on profit margins agreed on between U.S. suppliers and their Colombian representatives.

The U.S. will continue competing against low quality textile and apparel coming into Colombia from Asia, as well as contraband imports through the free trade zone in Panama, the Caribbean and Venezuela. Illegal or contraband apparel imports account for approximately 30 percent of officially recorded legal imports, which results in an even higher actual import volume from the U.S.(about $58 million).

Although an increasing percentage of outerwear is legally imported, a significant amount comes in through contraband, which is a major problem, especially for consumer goods. Over USD $5.0 billion in all kinds of products is estimated to enter the country illegally. One of the causes for so much contraband is the fact that most consumer goods, including apparel, are subject to a 20 percent CIF import duty and a 16 percent value-added tax (VAT) assessed on the CIF-duty-paid value of imported products. The nearly 60 percent margin over the basic FOB price of legally imported goods encourages contraband.

In the last quarter of 1997 and the beginning of 1998 consumer spending on clothing increased, albeit minimally. Imports benefited from this rise in consumer spending. Market prices, however, have been adversely affected by the devaluation of the Colombian peso and higher financial costs in the 1997-1999 period. Nevertheless, evolution of hypermarkets in Colombia, along with a large array of retail outlets, represent good opportunities for U.S. apparel.

Best prospects within the apparel industry are men's, boys', women's and girls' clothing, including suits/ensembles; shirts and blouses; T-shirts, tank tops; trousers and shorts; and women's and girls' lingerie including pantyhose, tights, stockings, hosiery, brassieres, panties, and swimwear. Colombian garment manufacturers are receptive to imported technology, raw materials, buttons, novelty items, and hardware (metal accessories for clothing) from the U.S.

Data Table (in million of US dollars)

	1997	1998	1999

A.	Total Market Size	980.9	1,029.8	782.1
B.	Total Local Production	1,329.0	1,382.0	1,105.0
C.	Total Exports	437.0	426.8	391.9
D.	Total Imports	88.9	74.6	69.0
E.	Imports from the U.S.	54.8	44.2	41.0
F.	Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

15. AUTOMOTIVE PARTS AND ACCESSORIES (APS)

Although the Colombian automotive sector experienced a downturn during the 1998-1999 period, total imports of automotive parts and accessories in 1998 accounted for 77 percent of the total market and were estimated at approximately US $820.6 million dollars, (total market was US $1,054.4 million). The United States continues to be Colombia's major supplier of automotive parts and accessories with 38 percent of the total market. In 1998, imports of automotive parts and accessories from the U.S. were estimated at approximately US $311.8 million.

The Colombian market for auto parts is expected to expand in the mid-to long-term if, as is expected, the economy recovers and begins growing again after July 1999. The market for automotive parts and accessories will grow as the increased number of cars registered in the 1995-1998 period start requiring spare parts, and also to meet the normal after-market demand. In 1998, annual sales of motor vehicles were estimated at 100,000 units and for 1999 annual sales will be around 85,000 units.

Demand for imported automotive parts and accessories will continue the same trend observed during the 1997-1998, but the growth brought on by expanded markets created by international trade agreements (such as the Andean Community, Mercosur, and G-3) could mean more opportunities for U.S. imports of automotive parts and accessories.

Data Table (in million of US dollars)

		1997	1998	1999
A.	Total Market Size	1,237.7	1,054.5	834.3
B.	Total Local Production	550.1	429.1	343.2
C.	Total Exports	36.9	195.2	165.3
D.	Total Imports	19.5	820.6	656.4
E.	Imports from the U.S.	336.6	311.8	249.4
F.	Exchange Rate (year end)	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

B. Best Prospects for Agricultural Products
(Statistics in all sectors are unofficial estimates.)

PROCESSED FOOD

Demand in Colombia for processed foods and other high value food products has been improving steadily, during the past nine years (1991-99). Specific products showing an upward increase in sales during this period were fresh/frozen whole chicken and turkey, poultry and beef offal, fresh/frozen pork, mechanically deboned chicken meat, cheese, hatching and table eggs, fresh fruits, breakfast cereals, beer, and assorted snack foods.

Historically, Chile is the principal supplier of imported fresh fruits to Colombia. Foreign competition in good-quality wine primarily comes from Chile, Argentina, and Peru. Several Latin American countries receive preferential duty rates, because they are members of the Latin American Integration Association (LAIA), known in Spanish as ALADI. LAIA is formed by 11 countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela). Also, the Andean Community (Bolivia, Colombia, Ecuador, Peru, and Venezuela) receives preferential duties.

Although production of domestic processed foods is growing, imports play an increasingly important role in meeting consumer demand for these products. The Colombian market for processed foods and other high-value food products is growing, as a result of the urbanization process, but the economic slowdown has adversely affected the demand in the last two years. The United States is the principal foreign supplier of consumer-oriented food products to Colombia. U.S. food products are highly regarded in the Colombian market for their quality and value.

Data Table (in millions of US dollars)

		1997	1998	1999
A.	Total Market Size	965	1,032	1,105
B.	Total Local Production	950	1,017	1,090
C.	Total Exports	95	100	105
D.	Total Imports	110	115	120
E.	Imports from the U.S.	86	91	95
F.	Exchange Rate	1,293.6	1,542.1	2,005.0

The above statistics are unofficial estimates.

COTTON

Colombia, traditionally a net exporter of cotton, has become a net importer as a result of declines in domestic production. Colombia began to import significant quantities of cotton in 1991/92, and its import dependence has grown rapidly. Imported cotton is estimated to account for 55 percent of total domestic cotton textile manufacturers consumption in 1998/99. Over the next 3 to 5 years, cotton imports are projected to grow at an annual rate of about 5 percent. Almost all cotton imports are of the medium staple type. The Colombian textile industry continues to petition the GOC to obtain approval from the Andean Community for the elimination of the current 10 percent import duty for cotton, however, this is unlikely to be approved.

The United States is the dominant supplier of cotton to Colombia with about a 60 percent market share of imports. U.S. cotton exports to Colombia have increased from $17 million in 1991/92 to an estimated $34 million in 1998/99. U.S. cotton sales in this market benefit from USDA's GSM Credit Guarantee and Suppliers Credit Guarantee Programs. However, U.S. cotton suppliers are concerned they will lose market share if Colombia negotiates successfully to enter Mercosur, because this will likely increase the competitiveness of Argentine and Paraguayan cotton. However, this is very unlikely to occur in the near or even medium term. Cotton imports from Andean Community countries and from Chile (due to a bilateral trade agreement) are allowed to enter duty free, but cotton imports from these countries are small.

Data Table (metric tons)

		1997	1998	1999
A.	Total Market Size	99	84	76
B.	Total Local Production	54	37	37
C.	Total Exports	2	1	1
D.	Total Imports	47	48	40
E.	Imports from the U.S.	31	31	24

Unofficial estimate for 1999.

WHEAT

Wheat imports are expected to continue growing during the next 3 to 5 years, as Colombian wheat production declines and domestic consumption of bread and other wheat products expands. The U.S. share of the Colombian wheat import market has been improving in recent years, and it is estimated at about 50 percent in 1998/99. Lower freight rates and the ability to supply different types and qualities of wheat in various sized shipments on a year-round basis gives the United States a competitive advantage over Canada, which is the largest U.S. competitor in the Colombian market. Installation of cleaning facilities in the Gulf ports will also increase U.S. wheat competitiveness in the Colombian market. Wheat imports are subject to an Andean Community price band, which results in a variable surcharge; the current (July 1-15, 1999) surcharge and duty total 53 percent.

Data Table (metric tons)

		1997	1998	1999
A.	Total Market Size	1,092	1,090	1,125
B.	Total Local Production	45	30	25
C.	Total Exports	0	0	0
D.	Total Imports	907	962	970
E.	Imports from the U.S.	324	375	450

Unofficial estimate for 1999
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CORN

U.S. corn exports benefit from rapidly expanding demand for poultry feed. During the 1993-99 period, Colombian poultry meat and egg production increased at an average annual rate of 7 and 5 percent, respectively. The increasing demand for feed corn can only be satisfied by imports, since most domestically produced corn is used for human consumption. The United States supplies nearly 80 percent of Colombia's imports. The rest originates in Argentina, South Africa, and the neighboring countries of Venezuela and Ecuador. Corn imports are subject to an Andean Community price band, which results in a variable surcharge; the current (July 1-15, 1999) surcharge and duty for yellow corn total 60 percent.

Periodically, Colombia also imports white corn for the flour industry. Although the Colombian corn flour industry prefers hard flint corn, high prices for this type of corn increase the demand for less expensive white corn. In 1999, Colombia has been importing white corn from the United States, because Mexican white corn has been too expensive.

Data Table (metric tons)

		1997	1998	1999
A.	Total Market Size	2,568	2,650	2,720
B.	Total Local Production	980	800	880
C.	Total Exports	0	0	0
D.	Total Imports	1,518	1,890	1,900
E.	Imports from the U.S	1,284	1,330	1,500

Unofficial estimate for 1999.

SOYBEAN MEAL

As of January 1999, the Colombian government decided to extend the value added tax (VAT) to most feed ingredients; a 16% VAT is assessed on soybean meal but not on soybeans. As a result of the VAT charge, soybean meal imports are projected to decline about 15 percent annually during the next 3 years. The United States supplies over half of the soybean meal imported. The major competitors are Bolivia and Venezuela, with a share of about 20 percent each. Both Bolivian and Venezuelan soybean meal receives duty free treatment under the Andean Community Agreement. The U.S. soybean meal is currently levied a 61 percent import duty under the Andean price band and official reference price systems (July 1-15, 1999).

Data Table (1,000 metric tons)

		1997	1998	1999
A.	Total Market Size	682	688	716
B.	Total Local Production	164	168	240
C.	Total Exports	0	0	0
D.	Total Imports	468	550	465
E.	Imports from the U.S.	320	290	250

Unofficial estimate for 1999.

SOYBEANS

While soybean meal imports are expected to fall, soybean imports are estimated to jump by 52 percent in 1999. A further 26 percent increase in soybean imports is forecast for 2000. Again, this is the result of the VAT imposed on soybean meal but not on soybeans. However, soybean imports are forecast to grow at a more modest 4 percent annually for the subsequent 3 to 4 years. Currently, the United States holds a 55 percent share of the Colombian soybean imports, followed by Bolivia whose pricing system resembles the one used by the Canadian Wheat Board. In addition, there is a marked trend in Bolivia to export soybean products rather than whole soybeans.

Data Table (1,000 metric tons)

		1997	1998	1999
A.	Total Market Size	310	310	420
B.	Total Local Production	50	76	76
C.	Total Exports	0	0	0
D.	Total Imports	215	230	350
E.	Imports from the U.S.	120	120	190

Unofficial estimate for 1999.

VI. TRADE REGULATIONS AND STANDARDS

Import Duties

During the first half of the 1990's, Colombia began lowering and simplifying its import tariffs. Import duties are quoted ad valorem on the CIF value of shipments. All duties (with a few exceptions) have been consolidated into four tariff levels as follows: a) 5 percent for raw materials, intermediate and capital goods not produced in Colombia; b) 10 and 15 percent for goods in the above categories but with domestic production registered in Colombia; c) 20 percent for finished consumer goods; and d) some exceptions to these general rules, such as import duties for automobiles which remain at 35 percent and some agricultural products which fall under a variable import duty system (price band). It is estimated that Colombian tariffs weighted average fluctuates between 11 and 13.5 percent.

These tariff levels are in line with Decision 370 of the Andean Community (formerly "Andean Pact") Agreement, which the governments of Bolivia, Colombia, Ecuador and Venezuela approved in November 1994. This Decision is known as the Common External Tariff (CET) which, in the case of Colombia, became fully effective in January 1995 through Decree 205.

Under Decision 370, Andean Community countries are obliged to assign a common external tariff (CET) for imports coming from third countries and, at the same time, eliminate duties for products manufactured and imported from within the region. Venezuela has also been implementing the CET while Bolivia and Ecuador have been slowly coming on board. Peru, which had threatened to leave the Andean Community over this issue, is implementing the CET, and hopes to reach a significant level of integration by the end of 2003. On the other hand, Colombia has been facing increasing trade problems with Venezuela and Ecuador on some agricultural commodities, such as corn, rice, and cotton. Transportation of goods by truck between the countries due to increased security concerns has also caused friction between the trade partners. The Andean Community's Board of Directors has analyzed these situations on several occasions, but the results have been below Colombia's expectations.

Colombia has signed several other multilateral free trade agreements. Among the most important are: the Latin American Integration Association (LAIA) with Argentina, Bolivia, Brazil, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela, El Salvador, Costa Rica, Guatemala, Nicaragua, and Honduras; the Bilateral Free Trade Agreement with Chile; and the G-3 (Group of Three) with Venezuela and Mexico.

The large number of integration agreements which Colombia has signed has created a complex system of tariffs that are applied according to the different treaties. Over ten different duties may be applied to a given product depending on whether it comes from the Andean Community countries, from Mexico (under G-3 or LAIA agreements) from any other LAIA country or from CARICOM (Caribbean Community) countries. The Colombian tariff book shows all of the import duties that apply. U.S. exporters can obtain a tariff schedule at:

LECOMEX	LEGIS
Carrera 7 No. 13-65, Of. 601/602	Ave. El Dorado No. 81-10
Tel. (571) 243-5189/282-3214	Tel. (571) 410-0899/263-4100
Fax (571) 342-6195	Fax (571) 263-2530
Apartado (P.O. Box) 7502	Apartado (P.O. Box) 98888
Santafe de Bogota D.C., Colombia	Santafe de Bogota D.C., Colombia

Colombia was favored together with Bolivia, Ecuador, and Peru by the Andean Trade Initiative (ATI), which resulted in the ATPA (Andean Trade Preference Act) of December 1991. This U.S. unilateral tariff exemption, similar to the Caribbean Basin Initiative (CBI), was designed to promote economic development through private sector initiatives in the four Andean countries. Exports of agricultural items were encouraged as part of the strategy to create alternative income sources to drug production. ATPA will expire on December 31, 2001, and the Government of Colombia has expressed interest in renewing this preferential treatment for its exports.

Import Taxes

Most imports are covered by a 16 percent value-added (VAT) tax assessed on the CIF value of the shipment plus import duties. Some exceptions apply, as in the case of imported vehicles, which are covered by a variable sale tax of 16, 20, 35, or 45 percent depending on the type of vehicle, the size of the engine, its intended use, and its price. The President of Colombia, who initiated his four-year term on August 7, 1998, announced during its campaign that he would implement a progressive reduction of the sales tax to 12 percent during his government.

Non-Tariff Barriers

Although significant progress has been achieved in this area, the Colombian government bureaucracy still constitutes a barrier to trade for both local and foreign companies. Pilferage in Customs warehouses and robberies of trucks on the roads is frequent. The absence of clear procedures to solve the problem of incorrect import documentation continues to be a barrier of sorts. Shipments have been detained indefinitely by Colombian Customs because of improper tariff schedule classification, use of an improper address, or any typing mistakes. When these mistakes are made by the exporter/importer, Customs presumes that it was done in bad faith and there is no clear procedure to correct the problem. The goods may be refused entry into Colombia and be returned at considerable expense to the exporter or importer.

Non-Tariff Barriers to Agricultural Trade

Import licenses issued by INCOMEX: Most agricultural products are issued automatic or "free" import licenses by INCOMEX, the Colombian Institute for Foreign Trade of the Ministry of Foreign Trade. But when the Ministry of Agriculture (MOA) determines that imports are not needed and will cause damage to related domestic production, imports can be prohibited over indefinite time periods. Two agricultural products that have been subject to "previous" (more restrictive) import licensing requirements are fresh/frozen poultry parts, and powdered milk.

Resolution 04 of June 12, 1998, issued by the Ministry of Foreign Trade, placed seasoned poultry parts (chicken, turkeys, and other birds) under the "previous" licensing system. Prior to this, seasoned poultry parts were under the "free" import regime, which resulted in automatic issuance of import licenses by Incomex. Since 1994, import licenses for raw unprocessed chicken/turkey parts have been routinely denied.

The GOC uses the "previous" import licensing system to restrict the importation of powdered milk, during Colombia's high milk production seasons of May-July and August-October. In 1998, the GOC established that no milk imports are approved whenever national powdered milk stocks exceed 6,139 tons. This action resulted from increasing pressure from domestic milk producers who blamed milk imports for the weakening of prices for locally produced milk.

Import License Approval Requirement by the Ministry of Agriculture: Ministry of Agriculture (MOA) Decree 2439 of 1994 requires the MOA to approve import licenses of commodities that compete with domestically produced commodities that fall under absorption agreements between local producers and processors. Agricultural commodities that require MOA approval for import licenses include wheat, poultry meat, malting barley, corn, rice, sorghum, wheat flour, oilseeds and their products (soybeans, soybean meal and soybean oil). Private importers are more likely to have their import licenses approved if they are deemed to be in compliance with domestic absorption agreements. Imports from countries with trade agreements with Colombia are not subject to MOA approval. This includes the Andean Community countries (Venezuela, Ecuador, Bolivia and Peru) along with Mexico and Chile.

Price Bands: On April 1, 1995, Colombia began to apply the common Andean Community price band (variable import duty system) covering 13 basic commodities (white rice, malting barley, yellow corn, white corn, soybeans, wheat, crude palm oil, crude soybean oil, white sugar, raw sugar, powdered milk, chicken parts, and pork meat) and 120 additional commodities that are considered substitutes. The system is purportedly intended to cover domestic producers and consumers from volatile world prices by raising import duties when import prices are low, and lowering duties when prices are high.

Under the Colombian interpretation of the Andean Community price band system, import duties are based on Andean Community Board determined ceiling, floor and reference prices adjusted to a CIF basis. Import duties are levied on calculated reference prices and are not based on actual invoice prices. If the applicable reference price is within the floor and ceiling price band, the import duty is calculated using the applied tariff rate and the reference price. When the reference price falls below the floor price, a variable duty (or surcharge) is applied which is based on the difference between the floor and reference prices. This surcharge is levied in addition to the applied duty. Conversely, when the reference price exceeds the ceiling price a reduction is made to the applied duty based on the difference between the reference and ceiling prices.

The Andean Community price band system lacks transparency, and can be manipulated to provide arbitrary levels of import protection. For example, adjustment factors for freight, insurance and other unspecified costs are not transparent and provide latitude for manipulation of ceiling, floor and reference prices. In many cases it is impossible for an exporter to estimate the final import duty.

Often the appropriate reference price is not used to assess the import duty. For example, in the case of chicken parts, ceiling and floor prices are based on U.S. whole broiler prices and the reference price is based on U.S. leg quarter prices. This increases the likelihood that the reference price will fall below the floor price and the additional surcharge will be added to the import duty. For soft wheat, the floor and ceiling prices are based on hard red winter wheat which tends to result in a higher import duty for soft wheat since hard wheat is generally more expensive than soft wheat.

Import tariff rates for selected commodities subject to the price band and reference price system during calendar year 1998 and the first half of 1999 fluctuated as follows: white rice: high-56%, low-20%; white sugar: high-119%, low-39%; malting barley: high-70%, low-18%; powdered milk: high-47%, low-33%; soybeans: high-65%, low-15%; wheat: high-70%, low-26%; white corn: high-62%, low-15%; yellow corn and grain sorghum: high-80%, low-28%.

Phytosanitary Requirements for U.S. Wheat: Because Karnal Bunt, a serious fungal disease, was detected in March 1996 in some seed wheat grown in Arizona, the Colombian plant health authority, ICA, imposed additional import requirements for U.S. wheat shipped to Colombia. The U.S. Animal and Plant Health Inspection Service (APHIS) was required to certify that the grain contained in each shipment originated from areas where Karnal Bunt does not exist. This requirement applies only to wheat harvested in 1997 or earlier. U.S. wheat harvested in 1998 or later requires an APHIS certification indicating that the wheat in each shipment originated from areas "free" of Karnal Bunt. By the end of 1997, APHIS was able to comply with this new certification requirement. U.S. wheat exports to Colombia were valued at US $59.2 million in 1998.

Phytosanitary Requirements for U.S. Rice: The GOC's ICA (Colombian Agricultural Institute) issued Resolution 02933 of November 25/98 establishing a long list of rice pests and diseases to be certified by the exporting countries. The Resolution was based upon the detection of a pest (Thrips palmi karny) in the central rice-producing region of Colombia. USDA's APHIS and the U.S. rice industry are discussing this topic with ICA, in order to lift this sanitary barrier on U.S. rice exports to Colombia.

Import Licenses and Fees

All imports must be registered with the Colombian Foreign Trade Institute (Instituto Colombiano de Comercio Exterior - INCOMEX) in the form of a specific application known as "Registro de Importacion".

Colombian imports are classified into three basic groups: those that can be freely imported into the country, those requiring approval of a previous import license, and a few items that cannot be imported. Most products are on the "free" list and their importation is approved automatically upon presentation of the import application or "Registro de Importacion".

Even if the items are classified in the free import list, a prior import license is still required for the following: a) imports by government entities (except gasoline and urea); b) import applications, which involve customs duty exemption; c) used and irregular goods; and d) non-reimbursable imports.

The import application (Registro de Importacion) has a fee of Colombian pesos $21,500 (about US $11). The import license issued is valid for twelve months for capital equipment, six months for most other products, and 2 months for perishable products. Extensions, additions or modifications may be requested by filling out additional forms. The registration form must include the harmonized tariff code and information on the importer, exporter, manufacturer, carrier, country of origin, port of origin and destination, amount imported and number of units, single and global prices, sales and payment terms, bulk and net weight, and description of the merchandise.

Prohibited Imports

The importation of the following products has been specifically prohibited: dieldrin, aldrin, chlordan, endosulfan, heptachlor, lindane and any preparations containing these products; gasoline containing lead tetra ethylene; and weapon-type toys (to reduce the influence of violence in the society).

An import license is required for 95 sub-classifications of the Colombian Tariff Schedule. No import licenses are being approved for the following: used vehicles and parts, used tires, used or irregular clothing, clothing closeouts, used bags and sacks, sacks of vegetable fibers, rags, and scrap cordage of textile material wastes. Only the Military Industry Institute (Colombia's government-owned arms and explosives manufacturer) may import weapons, explosives, and related raw materials.

Import Declaration

The importer must submit an import declaration to the Colombian Directorate for Customs and Taxes (DIAN). This declaration includes the same information contained on the import registration form and other information such as the duty and sales tax paid, and the bank where these payments were made. This declaration may be presented up to 15 days prior to the arrival of the merchandise to Colombia or up to two months after the shipment's arrival. Once the import declaration is presented and import duties are paid, customs will authorize the delivery of the merchandise. This delivery may be expedited when the merchandize has gone through a pre-shipment inspection, as described below.

Customs officials are responsible for inspecting merchandise to verify that the description and classification are consistent with the importer's declaration. A customs inspection group has been trained to perform after-clearance random investigations to detect fraud, foreign exchange irregularities, and tax evasion. Major customhouse brokers have a customs office in their own warehouses where most clearance procedures are completed before the merchandise is delivered to the customers.

Customs Valuation

Colombia, along with the other Andean Community countries, adopted through Decision 378 of June 19, 1995, GATT's (now WTO) customs valuation code. Colombia incorporated it into its own domestic legislation in 1996 through Decree 1220.

In Colombia, to comply with requirements, all importers of goods with a value of US $5,000 dollars and above must present an additional form, known as the "Andean Customs Valuation Declaration" (Declaracion Andina del Valor en Aduana), in which the importer must state the real value of the merchandise. This document supports the import declaration and import registration document mentioned above.

Customs valuation is based on the real transaction value (commercial invoice). Import duties are assessed on the CIF value of goods.

Pre-Shipment Inspections

Although enhanced customs valuation procedures have contributed to improved control of technical contraband, under-invoicing and over-invoicing (both of which are also used for money laundering) are still major problems. After acceding to the GATT's code on "inspection before shipment", the Colombian Government decided to privatize a number of its customs functions. Through Decree 2531 of November 1994, Colombia approved establishment of a pre-shipment inspection (PSI) program.

The new regulations went into effect on February 1, 1996. Under the PSI system, government-approved pre-shipment inspection companies are responsible for performing inspections, under the overall supervision of Customs. If imports requiring an inspection certificate arrive in Colombia without it, they will be shipped back, causing considerable additional expense.

Three International Certification Companies (ICS's) and 25 customs intermediation companies (CICs) also known as custom agents are carrying out inspections. All of these entities must be registered and approved by DIAN. The eleven bonded warehouses operating in Colombia are also entitled to participate in this process as customs agents, but only for the merchandise which is specifically sent to them for customs clearance.

The ICS's pre-clear imports of products that the government defines as "sensitive" and other merchandise if importers decide to apply the procedure. Merchandise or products classified as "sensitive" would be returned or shipped to another port if the import documents lack the PSI certificate. Existing regulations do not allow for in-country legalization.

Products exempt from inspection include: imports by government agencies, diplomatic imports, household or personal effects of persons establishing their residence in Colombia, and accompanied or unaccompanied baggage.

The ICS reviews for accuracy the certification of origin, the bill of lading value, the value, and the tariff classification. It also inspects goods for quality (new or used), sanitary conditions and related factors. In specific cases (such as expiration dates of perishables and danger of toxicity or radiation) the ICS will certify and provide the government with such information.

After several postponements, the ICS's began certifying products on the "sensitive" list, which includes over 306 subheadings of the Colombian Harmonized Tariff Schedule. As per Decree 8185/95, the maximum fee that an ICS can charge is one percent of the FOB value of the shipment. These inspections must be performed if the shipment is valued over US $5,000. Even if the value of a shipment is under this amount, the inspection must be performed when: a) there are partial shipments covered by the same invoice or contract; b) when the merchandise is covered by different invoices but is consigned to the same importer; c) uses the same transportation system; and d) the shipment cost is greater than US $5,000.

The Operations Division of the Colombian Tax and Customs Bureau (Subdireccion Operativa de la Direccion de Impuestos y Aduanas Nacionales - DIAN) is the entity in charge of approving and registering the ICS's. Currently, three International Certification Societies are providing these services: Intertek Testing Services (United Kingdom), Bureau Veritas (France), and Cotecna Inspection Colombia S.A. (Switzerland). For additional information contact:

INTERTEK TESTING SERVICES INTERNATIONAL LTD.
Contact: Mr. David Herring, Colombia Contract Manager
3741 Red Bluff Rd.
Pasadena, Houston TX 77503
Tel: (713) 475-2082
Fax: (713) 475-2083

INTERTEK TESTING SERVICES
Contacts: Mr. Carlos Giraldo, General Manager
Mr. Gloria Stella Gomez, Commercial Manager
Transversal 14 No. 126-10, Of. 501
Santafe de Bogota, Colombia
Tel: (571) 615-6488/615-5610/615-5619/615-5629
Fax: (571) 615-5552/615-5592

BUREAU VERITAS NORTH AMERICA, INC.
Contact: Mr. Juan Martinez, General Manager
7955 NW 12 Street, Suite 400
Miami FL 33126
Tel: (305) 593-7878

Fax: (305) 593-7877

BIVAC DE COLOMBIA, S.A.
Contact: Mr. Alfredo Barreto, General Manager
            Mr. Alvaro Mejia, Commercial Manager
Calle 95 No. 13-09, Piso 3
Santafe de Bogota, Colombia
Tel: (571) 635-7575/635-7525/635-7535
Fax: (571) 635-7441 / 635-7451

COTECNA INSPECTION INC.
Contact: Ms. Grace J. Del Toro, Account Manager
7850 Northwest 146th St., Suite 305
Miami, FL 33016
Tel: (305) 828-8141 (x228)
Fax: (305) 828-1296

COTECNA INSPECTION COLOMBIA S.A.
Contact: Mr. Luis Carlos Velandia, General Manager
Calle 114 No. 9-01, Torre A
Teleport Business Park
Tel: (571) 629-1879 /-1862 /-1881 / -1891
Fax: (571) 629-1882 / -1883

Many importers have been complaining that the pre-shipment inspection system is a non-tariff barrier that makes the import procedure more troublesome. On June 26, 1999 the Central Government Issued Decree 1122 aimed at eliminating red tape in a wide variety of activities performed by the Colombian government entities. According to DIAN, based on article 178 of this decree, they are drafting a new set of regulations that would eliminate the pre-shipment inspection system.

The government has also been coordinating with the private sector the new "Foreign Trade Statute". This document will compile all legislation and regulations having to do with foreign trade in Colombia. The main objective of the new Statute will be to expedite imports and exports and introduce better controls for contraband and money laundering. The government hopes to approve and implement the new Foreign Trade Statute in the second half 1999.

Other Import Controls

The Foreign Trade Ministry reorganized some of the entities that control imports. It divided the National Directorate of Taxes and Customs (Direccion Nacional de Impuestos y Aduanas - DIAN) into two different entities: The National Income and Other Taxes Office (Oficina de Impuestos de Renta y Complementarios) and the National Customs Office. The purpose of this is to exert better control over imports and money laundering through international trade operations. A complete set of new legislation is expected to accompany the creation of these two entities. In the meantime, the Ministry of Foreign Trade is trying to control contraband and money laundering through measures such as the Pre-Shipment Inspection Certificate and Resolutions 9 and 10 of 1996 from the Foreign Trade Superior Council which are briefly explained below.

Resolutions 9 and 10 of 1996 are modifications to Resolution 001 of 1995 pertaining to import license requirements. Their objective is to improve the Government's control over money laundering activities, which utilize under-valuation of imported merchandise and other malfeasances. INCOMEX checks the declared prices as stated in the import documents with the corresponding prices in the international market. Some exporters have encountered problems due to different interpretations of these resolutions by Customs officials and local importers, causing needless delays and additional costs.

Also, the Government requires local importers to process merchandise payments through approved financial institutions. INCOMEX has been instructed to gather the needed information to determine if importers complied with this requirement by asking DIAN (Customs and Internal Revenue organization) and other entities to provide them with the information to verify compliance. If the importer fails to comply, INCOMEX can denounce it to the authorities for legal action.

Sanitary Registration

U.S. exporters should be aware that sanitary registration must be obtained for pharmaceuticals, cosmetics, processed food products, and household insecticides and similar products. The registration must be obtained before exporting the products to Colombia. It is issued by the Instituto Nacional de Vigilancia de Medicamentos y Alimentos - INVIMA (National Institute for Control of Medicines and Food Products). The fee varies between COL $700,000 to COL $1,500,000 (roughly US $390 to $720) depending on the product, and the procedure usually takes between six months and one year. Sanitary registration is required for both locally manufactured and imported products. For more information please contact: INVIMA, Sub Directorate for Licenses and Registry, Carrera 15 No. 58-59, Santafe de Bogota, Colombia, Tel. (571) 347-4289; Fax (571) 211-8003.

U.S. Export Controls

U.S. exporters should be aware that the U.S. Government may prohibit the export of certain products to Colombia or require export licenses. The Department of Commerce's Bureau of Export Administration has licensing responsibility for most controlled products and technology exports licenses are required for certain high technology items or technology transfers and items with potential dual use. In recent years there have been increasing restrictions on the export of precursor chemicals to Colombia, due to the Drug Enforcement Agency's (DEA) concern that they may be utilized by narcotics traffickers to produce drugs. For more information on U.S. export licensing issues contact BXA: www.bxa.doc.gov; Tel: (202) 482-4811; Fax: (202) 482-3617. For information on the export of weapons and firearms contact the State Department's Office of Defense Control, Tel: (703) 875-6644; Fax: (703) 975- 6647.

Import Documentation

Colombian importers must follow nine basic steps to carry out an ordinary import into Colombia:

1) When required (the Colombian Tariff Schedule Book must be consulted), obtain import permits from pertinent government agencies. For example: Ministry of Health (for drugs), Ministry of Agriculture (for certain food products); Civil Aviation Department (for aircraft).
2) Buy and fill out the Import Registration form. File the Import Registration form with the Colombian Foreign Trade Institute (INCOMEX).

3) Obtain approval from INCOMEX for the Import Registration Form or Import License (in the few cases when this is required)

5) Make arrangements with a financial entity for payment of the importation.

6) For products in the "List of Sensitive Products" (Decree 567 of 1996), contact one of the three international certification firms that are authorized to carry out pre-shipment inspections.

7) Ask the exporter to ship goods to a Colombian port.

8) Request the Cargo Manifest from the transportation firm.

9) Make arrangements, with their Customs Broker to receive the merchandize and get it out of customs. The following are main steps to be followed:

a. Fill out the "Andean Customs Value Declaration" (Declaracion Andina de Valor en Aduana) when the importation value is more than US $5,000.

b. Fill out the "Import Declaration" (Declaracion de Importacion).

c. Go to an authorized financial entity and pay the import duties.

d. Present all documents to Customs.

e. Customs review the merchandize, when they consider it necessary, and authorize withdrawal of goods.

The importer most keep import documents for a period of not less than five (5) years.

Temporary Entry

Non-fungible merchandise that can be thoroughly identified by marks, serial numbers, or other symbols can be temporarily brought into Colombian territory for specific purposes. The merchandise must be re-exported immediately after the pre-authorized period of time, without being subject to any alteration or modification, except for the normal deterioration caused by use.

There are two categories for temporary imports. The National Directorate of Taxes and Customs (DIAN) decides which of the two categories has to be applied to a specific case:

Short Term: This allows the importation of merchandise for a specific purpose during a period of time that should not exceed six months; one three-month extension can be requested and approval must be obtained before expiration of the initial authorization. Short-term import duties are not subject to import duties, but a guarantee equivalent to 10 percent of the corresponding import duties must be presented to obtain approval.

Demonstration Equipment: The international carnet system for temporary imports of demonstration equipment (to be used in promotional campaigns or trade shows) is not in effect in Colombia. DIAN has implemented an alternative system. Visitors bringing in equipment for demonstration purposes are requested to fill out a special form provided by DIAN upon their arrival at an international airport. The equipment may stay in the country up to 90 days. There is no deposit requirement.

Long-Term: Colombian Customs regulations also allow for long-term temporary importation of equipment for a period of up to five years. Under this regulation, the Government allows importation of machinery and equipment as well as related accessories and spare parts if they are included in the same one-time-only shipment. This system is applied to equipment to be used in public works projects and other activities that are important for national economic and social development. Long-term temporary imports are also approved for machinery and equipment brought into the country under leasing contracts within a term of six months to five years.

Long-term customs declarations for temporary imports must include the U.S. dollar calculation of duties and taxes in accordance with the tariff schedule effective on the submission date. The total amount may be divided into equal quotas to be paid semi-annually, during the temporary import period. The importer may be requested to establish a guarantee equivalent to 100 percent of the import duties. Import duties are non-refundable.

Labeling and Marking Requirements

Specific marks or labels are not required, except for food, pharmaceutical products and textiles. Labels on processed food products must indicate the specific name of the product, ingredients in order of predominance, name and address of manufacturer and importer, number of units, instructions for storage and usage (when required), expiration date, and other instructions as required by the Ministry of Health or the Industry and Commerce Superintendency. Labels and illustrations cannot be inaccurate or misleading.

Labels on pharmaceutical products must indicate in Spanish: "for sale under medical, dental or veterinary prescription," with the generic name, commercial name, net weight or volume, weight or quantity of active ingredients, license number and the lot control number. For those products having limited shelf life, the date of expiration should be included.

Insecticides and other toxic products should prominently display the skull and crossbones, the word "poison" in Spanish and information regarding usage and antidotes. Products for which there are no antidotes cannot be licensed and can only be used in programs under the direct control of public health authorities.

Standards

In Colombia, certain products whether imported or produced locally are required to conform to technical standards established by Decree 300 of 1995 which implements the provisions of Decree 2269 of 1993 which made mandatory Colombian technical standards for some goods sold in the Colombian market (both imported and produced locally). Decree 300 of 1995 establishes that the Industry and Commerce Superintendency (SIC) (under the Ministry of Economic Development), compile the list of products requiring the Certificate of Conformity and issues this certificate for import purposes. To assure compliance with these regulations, some imports require a special certificate of conformity with the appropriate Colombian technical standard. The Foreign Trade Institute does not approve import registrations for products on this list if the Certificate of Conformity does not accompany the requests.

On April 7, 1999, SIC enacted Resolution 6050, regarding the procedures required to comply with official mandatory technical standards and regulations. The new provisions will formally start on August 11, 1999, per Resolution 18699 (enacted on June 4, 1999). The Resolution requires that the manufacturers and importers of products regulated by official mandatory technical standards and technical regulations register with SIC by providing the organization's contact information and the products requiring compliance with a specific mandatory technical standard or regulation. The Colombian government has notified the World Trade Organization (WTO) about this requirement. The resolution requires product testing laboratories and accreditation entities to sign a mutual recognition agreement with SIC in order for their certificates of conformity to be accepted. The Resolution requires product testing for those producers or importers that lack a valid certificate of conformity or are about to expire. Also, by Article 231 of Decree 1122 of June 26, 1999, SIC was appointed the exclusive accreditation entity in Colombia.

The Superintendency and INCOMEX issued a joint regulation (circulars 01 and 21, modified by circulars 02 and 23 of 1995 and circular 6 of 1997), establishing the procedures (as explained above) for obtaining the Certificate of Conformity and listing all products currently subject to this requirement. Any U.S. exporter wishing to obtain the list of Colombian Harmonized Tariff Schedule headings subject to this regulation or who encounter problems due to this requirement may consult with the Colombia Desk at the U.S. Department of Commerce, Tel: (202) 482-0057, or with the Commercial Service at the U.S. Embassy in Bogota, Tel: (571) 315-2126 or 315-2298.

ICONTEC (Colombian Institute of Technical Standards and Certification), a private nonprofit organization founded in 1963 and accredited by the Industry and Commerce Superintendency (SIC) as a certification entity responsible for the development of technical standards. ICONTEC is a member of the International Standards Organization (ISO) and of the International Electrotechnical Commission (IEC). It provides quality certification services, training and technical support services, as well as inspection services, recognized by Underwriter's Laboratories (UL).

In 1996, ICONTEC received recognition from the German Association for Accreditation (TGA) to carry out ISO 9000 quality management certification. ICONTEC has certified 246 companies under ISO 9000, 28 under QS 9000, and has awarded seals of quality standards conformity to 93 firms.

In July 1998, the Institute was accredited to certify firms under the ISO 14000 environmental management system (EMS) and has certified two Colombian firms under ISO 14001. The Ministry of the Environment, in conjunction with SIC and ICONTEC, has been a serious advocate for the adoption of EMS and other voluntary environmental management and self-regulation codes, as part of a government-wide 1997 National Cleaner Production Policy.

ICONTEC standards may apply to Colombian government imports procured through international bidding as well as to imported or locally manufactured products. The Colombian Import Code states a preference, but not a requirement, for metric description of imports.

Other recognized Colombian certification entities include Corporacion Colombia Internacional (fruits, vegetables, and other food products) and S.G.S. Colombia (quality assurance systems). There are 37 testing and 15 metrology (calibration) laboratories accredited by the Industry and Commerce Superintendency operating in public and private institutions, and one accredited inspection entity to evaluate organic agricultural products, Centro Internacional de Agricultura Organica - CIAO.

The Commercial Service of the U.S. Embassy in Bogota has been working closely with the National Institute of Standards and Technology (NIST) in expanding cooperation in the areas of standards development, certification, metrology and quality assurance.

Colombian Export Controls

In general, the export of goods and services is free in Colombia. However, exports are not authorized if they form part of the artistic, historical, or archeological heritage of the nation. With the creation of the Ministry of the Environment, the government is trying to apply stricter controls over the illegal exportation of endangered animals. A prior favorable ruling (under Resolution 14, 1991) is required for the approval of export registration of eight customs categories in the agricultural and animal husbandry sector. The Special Administrative Unit of the DIAN controls the exit of goods from Colombian territory. Exports must be registered at INCOMEX.

Colombian Export Documentation

To carry out an export, the exporter must: 1) remit the proforma invoice; 2) obtain acceptance of conditions from the client (letter of credit, draft bill); 3) negotiate (through a local financial institution) the letter of credit/draft bill from the endorsing foreign bank; 4) present (to INCOMEX) a form known as "Registration as National (local) Producer, Export Offer and Determination of Origin"; 5) present the certificate of origin (when necessary) with copy of the commercial invoice (this form is sold by INCOMEX), and other certificates required by the country of destination (textile visa, phytosanitary certificates, etc.); and 6) complete and present the export declaration (ED) form also known as shipping authorization of final export declaration with all annexes as required.

Products that require special documentation include: vegetables, plants, fruits, animals, gold, emeralds, oil, coal, nickel, platinum, textiles, products exported through the GSP (General System of Preferences), products exported through the ATPA (Andean Trade Preference Act), products exported through any Free Trade Agreement, and products exported through the Colombian draw-back system known as "Plan Vallejo".

Free Trade Zones

Free trade/industrial zones (zonas francas comerciales y/o industriales) were created in Colombia in 1958 with the establishment of the Barranquilla Free Industrial and Trading Zone. There are commercial free zones for free trade of goods, industrial free zones for the promotion of industrialization, technological free zones for the promotion of technological services, and tourist free zones for the promotion of tourism. Free-trade zones have special regulations regarding customs and capital investment and enjoy certain tax benefits.

By Law 7 and Decree 2131 of 1991 the Government of Colombia authorized the liquidation of the assets and personnel of the public free trade zones and their privatization by June 30, 1994. Five trade zones owned by the Government were privatized (given for administration to the private sector under a concession contract):

- Barranquilla, the main port on the Atlantic Coast;
- Cartagena (Mamonal), perhaps the most important industrial zone in Colombia;
- Cucuta, in the northeastern section of the country on the border with Venezuela;
- Palmaseca, close to the international airport in Cali (main city in the State of Valle del Cauca); and
- Santa Marta, on the Atlantic Coast.

The private sector, authorized by the above-mentioned legislation, has also constructed the following new trade zones:

- Bogota, recently constructed;
- Candelaria, in the city of Cartagena;
- Quindio, a new zone near the city of Armenia in the Colombian coffee region;
- Rio Negro, near the city of Medellin (State of Antioquia);
- Pacifico, near the city of Cali (State of Valle del Cauca); and
- Malambo, in the outskirts of Barranquilla (State of Atlantico).

Operators and developers of newly privatized or private free zones are exempt from taxes on income. Industries established in these zones are exempt from income taxes. Foreign-owned industries are exempt from taxes on profits remitted abroad, and building materials, construction equipment, and capital equipment for manufacturing plants can be imported duty free. Inputs of goods and services for manufacturing exports can be imported free of customs duties.

VII. INVESTMENT CLIMATE

Openness to Foreign Investment

Two professed principles continue to guide Colombia's foreign investment policy: 1) equality, by which foreign and national investments receive the same legal and administrative treatment; and 2) openness, by which few restrictions apply regarding the amount of foreign investment or its destination. In practice, neither obtains fully.

The primary regulations governing foreign investment are Law 9 of 1991, Resolutions 51, 52, and 53 of the Council on Economic and Social Policy (CONPES) and Resolution 21 of the Board of Directors of the Central Bank (Banco de la Republica). They grant national treatment to foreign investors and permit 100 percent foreign ownership in virtually all sectors of the Colombian economy. Exceptions include national security, the disposal of hazardous waste products, and ownership of real estate unrelated to other investment activities. In July 1996, CONPES eliminated the requirement of government authorization prior to investment in public services, mining, and hydrocarbons; however, direct investment in these specific sectors is still subject to concession agreements with the appropriate Colombian government entity.

The opening of the Colombian economy, or apertura, which began in 1991, facilitated the importation of most services. Sector liberalization has progressed farthest in financial services, telecommunications, accounting/auditing, energy and tourism. It has occurred to a lesser extent in audiovisual services, legal services, insurance, distribution services, advertising and data processing. There is a constant, if gradual, attempt underway to liberalize areas where restrictions remain in force.

Foreign investors have participated in a broad range of privatizations, including those in the financial, ports and railways, power generation and telecommunication sectors. As well, foreign contractors may bid on public highway concessions. The Institute for Industrial Development (IFI) manages several smaller enterprises that are also available for privatization.

The following restrictions still exist:

Accounting and auditing: Providers of these services must be registered in Colombia. No restrictions apply to services offered by consulting firms or individuals. Subsidiaries of U.S.-based multinational firms control 80 percent of the accounting market.

Advertising: There is no local content requirement for Colombian television, but the National Television Commission charges foreign-made ads double the national rate for airtime.

Audio-visual services: Colombian television broadcast laws (law 182/95 and law 375/96) impose several burdensome restrictions on foreign investment. For example, foreign investors must be actively engaged in television operations in their home country. Furthermore, their investments are limited to 15 percent of the total capital of local television production companies and must involve an implicit transfer of technology. National broadcasters must transmit at least 70 percent locally produced programming during prime time and at least 40 percent during all other times.

Data processing and information: A commercial presence is required to provide this service.

Financial services: Colombia began liberalization of its financial services sector in 1991 with Resolution 51, which permitted 100 percent foreign ownership of financial institutions. However, all foreign investors (acting as individuals or an investment funds) must receive prior approval from the Banking Superintendency to acquire an equity participation of five percent or more in a Colombian financial entity. The use of foreign personnel in financial institutions remains limited to administrators, legal representatives and technicians.

Hydrocarbons: Petroleum exploration and production requires an association contract between the foreign investor and ECOPETROL, the state-owned oil company. Over the last several years, the government has eased restrictions to hydrocarbon investment. In 1995, ECOPETROL opened previously reserved areas to foreign exploration and included a new provision in association contracts allowing the oil companies to apply for an extension of their contracts, as long as they submit the application five years prior to contract expiration. In May and June 1999, respectively, the Congress passed a sliding royalties regime based on field size, and Ecopetrol approved a more favorable terms for association contracts, for foreign oil producers. These changes will much enhance the attractiveness of Colombia's oil investment climate, and in particular increase the profitability of fields with 50 million barrels of reserves or less, which represent approximately 90 percent of Colombia's fields. For information on oil-industry security issues, see the section "Political Violence."

Insurance: Colombia permits 100 percent foreign ownership of insurance firm subsidiaries. It does not, however, allow foreign insurance companies to establish local branch offices. Firms must have a commercial presence to sell policies other than those for international travel or reinsurance. In addition, Colombia denies market access to foreign marine insurers.

Legal: Provision of legal services is limited to those firms licensed under Colombian law. Foreign law firms are therefore prohibited from having an independent, commercial presence (i.e., a registered place of business, a branch, or an agent) in Colombia. By forming joint ventures with local law firms, foreign firms are able to operate in Colombia under the auspices of their local partners' licenses.

Telecommunications: Colombia ended its long distance and international service monopoly in November 1998. The government continues to limit foreign ownership of telecommunication companies to 70 percent. As well, an economic needs test determines market access and national treatment for cellular, PCS, long-distance, and international services.

Investment Screening: Investment screening has been largely eliminated, and the mechanisms that still exist are generally routine and non-discriminatory. Regulations grant national treatment to foreign direct investors and permit 100 percent foreign ownership in most sectors of the Colombian economy, except in national defense and security, and toxic, hazardous, or radioactive products. As mentioned earlier, however, specific sectors still require a concession agreement from the appropriate Colombian Government entity. In any event, the Colombian Economic and Social Policy Council (CONPES), may identify sectors of economic activity in which the Government may determine whether it will admit foreign capital participation in them.

Foreign investments must be registered with the Central Bank's foreign exchange office within three months of the transaction date to assure the right to repatriate profits and remittances and to access official foreign exchange. All foreign investors, like domestic investors, must obtain a license from the Superintendent of Companies and register with the local Chamber of Commerce.

Generally, foreign investors may participate in privatization of state-owned enterprises without restrictions. Colombia imposes the same investment restrictions on foreign investors that it does on national investors.

Many foreign investors find certain provisions of Colombian law burdensome. For example, a commercial presence in the country (defined as a registered place of business, a branch, or an agent) is a standard requirement for conducting business in Colombia.

Foreign investors can participate without discrimination in government-subsidized research programs. In fact, most Colombian Government research has been done in connection with foreign institutions.

Other factors which may impact investment:

Andean Community CET: In 1997, The Andean Pact changed its name and structure slightly; the new entity is known as the Andean Community. Colombia and its Andean Community partners established a common external tariff (CET), which took effect February 1, 1995. The CET has a four-tier structure, with five, 10, 15 and 20 percent tariff levels. Colombia's average official tariff is approximately 11 percent ad valorem. Most non-agricultural products and services (both locally produced and imported) are also subject to a 16 percent Value Added Tax.

On January 1, 1995, Colombia adopted a harmonized automotive policy with Venezuela and Ecuador to establish common external tariff rates of 35 percent for passenger vehicles, 15 percent for mass transit and cargo vehicles and three percent for kits. The policy includes regional content requirements.

Other Regional Trade Agreements: The Andean Trade Preferences Act (ATPA) provides for the duty-free entry of 6,000 product categories from Colombia into the U.S. Products that are statutorily excluded from ATPA include, but are not limited to, textile and apparel articles, some footwear and petroleum products. Colombia has a comprehensive free trade agreement with Mexico and Venezuela (the G-3 Agreement), in effect since January 1, 1995, under which most tariffs are to be reduced to zero by the year 2007. Colombia also has a partial free trade agreement with Chile.

All of Colombia's bilateral and regional trade agreements are based on Latin American Integration Association (ALADI) regulations and procedures. Agreements negotiated with Cuba, Panama, Central America, and CARICOM have either been ineffective or have not been fully implemented. Colombia, along with the other members of the Andean Community, is currently trying to negotiate a free trade arrangement with the countries of MERCOSUR, but lack of unity on both sides has hampered progress.

Right to Private Ownership and Establishment

The 1991 Colombian Constitution explicitly protects individual rights against the actions of the state and upholds the right to private property. A clause in Constitutional Article 58 expressly allowed expropriation without compensation, but in June 1999 the Colombian Congress amended to Constitution to remove that clause (see "Expropriation and Compensation" below for more details).

Protection of Property Rights

Colombia remains on the Special 301 "Watch List" for not providing effective protection of intellectual property rights (IPR). It has been on the "Watch List" every year since 1991. Colombia has ratified, but not yet fully implemented, the provisions of the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). In April 1999, the United States Trade Representative (USTR) announced that it will conduct a special out-of-cycle review in September 1999 to evaluate Colombia's progress on implementing its commitments under TRIPS. In particular, USTR is concerned that Colombia's intellectual property laws will not be in compliance with TRIPS before the January 1, 2000 deadline previously agreed upon in the Uruguay round of the General Agreement on Tariffs and Trade (GATT). As well, USTR notes that music piracy has worsened in Colombia in 1998, with counterfeit CDs flooding the local market. Colombia has yet to resolve the major issue USTR highlighted in its December 1998 out-of-cycle review-failure to license legitimate pay television operators and to pursue pirate operators. Colombia's Attorney General has reportedly begun legal action against 108 community television operators. After numerous postponements on dubious grounds, the cable-TV-licensing process is scheduled for completion in July 1999.

Patents and Trademarks: Two Andean Community decisions on the protection of patents and trademarks have been in effect in Colombia since January 1, 1994. The decisions are comprehensive and significantly improve standards of protection of intellectual property in the Andean Community countries. For example, they provide a 20-year term of protection for patents and reverse the burden of proof in cases of alleged patent infringement. The provisions covering protection of trade secrets and new plant varieties are generally consistent with world-class standards for protecting intellectual property rights. The decisions still contain deficiencies, however, including overly broad compulsory licensing provisions; restrictions on biotechnology inventions; denial of pharmaceutical patent protection for patented products listed on the World Health Organization's Model List of Essential Drugs; lack of transitional ("pipeline") protection. In June

1996, Colombia ratified the Paris Convention for the Protection of Industrial Property, which went into effect September 1996.

The Andean Community decision on patent and trademark protection also provides for protection of industrial secrets. Protected property includes that which is secret (not generally known or easily accessible to those who usually handle such information) and has an effective commercial value or a potential commercial value as a secret. The decision requires that the person wishing to maintain the secrecy of a product take reasonable steps to ensure that secrecy.

Colombia's trademark protection requires registration and active use of the trademark to prevent parallel imports. Trademark registrations have a ten-year duration and may be renewed for successive ten-year periods. Priority rights are granted to the first application for a trademark within the Andean Community or in any country granting reciprocal rights. Colombia is a member of the Inter-American Convention for Trademark and Commercial Protection.

According to U.S. industry, Colombia maintains a policy of promoting unbranded pharmaceuticals at the expense of the brands typically produced by multinational companies. Law 100 establishes that the Colombian people will be covered under a basic health plan by either social security or health promoting entities. The plan specifies that pharmaceutical products be supplied based on a list of only 307 generic substances, thereby threatening to eliminate the brand name pharmaceutical market in Colombia. Although this law remains in effect, local sources claim it is not adhered to in practice.

The Superintendency of Industry and Commerce acts as the local patent and trademark office in Colombia. This agency suffers greatly from inadequate financing and a backlog of trademark and patent applications exceeding 25,000. Enforcement in the trademark area remains generally weak.

Copyrights: In response to the announcement of a U.S. anti-software piracy campaign, President Pastrana in February 1999 issued a directive to all government and educational institutions to respect copyrights and avoid the use or purchase of pirated printed works, software and audio/video material. The Presidential directive emphasized that police would act against any copyright infringements, and was well received by U.S. public and private sectors.

Andean Community Decision 351 on the protection of copyrights has been in effect in Colombia since January 1, 1994. Colombia also has a modern copyright law: Law 44 of 1993. The law extends protection for computer software to 50 years, but does not classify it as a literary work. Law 44 and Colombia's Civil Code include some provisions for IPR enforcement, which have been used to combat infringement and protect rights. Semiconductor layout designs are not protected under Colombian law. Colombia belongs to both the Berne and the Universal Copyright Conventions.

Colombia's 1993 copyright law significantly increased penalties for copyright infringement, specifically empowering the Attorney General's office to combat piracy. The most recent data suggests that while there is less counterfeit merchandise available in the Colombian market, U.S. industries continue to lose substantial revenue from piracy -- $151 million in 1997, according to the International Intellectual Property Alliance (IIPA).

Adequacy of Laws and Regulations Governing Commercial Transactions

Colombia's civil codes define commercial entities' legal rights and outline enforcement procedures regarding commercial activities. Enforcement mechanisms exist, but historically the judicial system has not taken an active role in adjudicating commercial cases. The 1991 Constitution provided the judiciary with greater administrative and financial independence from the executive branch, and Colombian courts have tended to behave independently and unpredictably ever since. The Colombian judicial system continues to be clogged and cumbersome.

Major Taxation Issues

To assuage investor concerns over unexpected changes in the tax code, the Colombian Congress passed legislation in 1995 ("The Special Tax Stability Regime") authorizing the government to enter into corporate contracts that guarantee a fixed tax rate for up to ten years. In return for this guarantee, the company pays an additional two percentage points in corporate income taxes. President Pastrana has pledged to eliminate the two percent fee in the near term.

A reinvestment of corporate profits in Colombia for a period of five years or more allows the taxpayer to avoid the otherwise mandatory seven-percent dividend income withholding tax or seven-percent remittance tax (depending on the method of repatriation.) Income derived as capital gains is taxed at a 35 percent rate.

In December 1998, the Colombian Congress passed a major tax reform law (Law 488). Inter alia, Law 488: created an income tax deduction of up to 125 percent of donations made to non-profit organizations dedicated to the protection of human rights; lowered the valued added tax (VAT) from 16 percent to 15 percent effective November 1, 1999; increased the "stamp tax" paid on all written contracts from one to one and half percent of the contract's total value; and established a Unified Tax Regime (UTR) for small taxpayers which aims to facilitate tax collection from entrepreneurs and small businesses by allowing them to assess their own tax liability in a presumptive manner. The UTR should be especially useful to non-salaried or contract expatriates on assignment in Colombia who would otherwise be subject to cumbersome tax requirements.

A "war tax" on the export value of crude oil, gas, coal and nickel from fields or deposits that began production after December 31, 1994 will remain in force until 2000. The war tax will vary from 0.6 percent to 4 percent depending on the product. As well, the Colombian government requires that all corporations invest 0.6% of their liquid patrimony in "peace bonds." These freely negotiable bonds have a return equal to 110% of the official inflation rate, and a seven-year term. The peace bond program is to provide financing for the government's fledgling peace process and will remain in effect until May 2001.

Performance Requirements/Incentives

Incentives: The government provides a number of incentives for exporters and importers of certain capital goods. The most widely utilized such programs are the Plan Vallejo and the CERT. The Plan Vallejo provides for the duty-free entry of capital goods and materials to be used in production of export goods. In order to qualify for this tax exemption in the case of capital goods, the producer must show that at least 70 percent of the product produced by the newly acquired capital good is exported. In the case of raw or partially finished materials, the producer must export a value equal to 1.5 times that of the value of the imported materials as determined by Colombian government customs.

The CERT is a reimbursement certificate that represents a credit applicable to taxes on income, customs duties and certain other taxes. It is also freely negotiable and can be sold in a secondary market. The CERT program is intended to promote non-traditional export products (coffee, petroleum, and petroleum bi-products are specifically excluded). The amount of the CERT is calculated as a flat percentage of the value of goods exported, and varies by product and destination. Currently CERTs carry face values ranging from 2.25 percent to 6.5 percent. Occasionally, the Minister of Foreign Trade will announce a temporary increase in the amount of the CERT for specific products on grounds of particular hardship. It should be noted that CERT money is not available for exports to the U.S. or Andean Pact countries, or for production originating in free trade zones.

Colombia had planned to reduce CERT's face value rates in 1999 to begin compliance with its GATT commitment to phase out CERT by 2002, but, due to the recession and desire to promote exports, the current face value rates will remain in place for at least another year.

Export credit: The foreign trade bank (BANCOLDEX) provides funds for working capital and equipment purchases dedicated to the production of exported goods. BANCOLDEX also provides discount loan rates to foreign importers of Colombian goods.

Preferential Export/Import Policies: Preferential export/import policies exist, primarily in the agricultural sector. Colombia maintains minimum preference prices for basic agricultural commodities, which are supported by flexible tariffs on imports. This "price band" system is intended to protect domestic farmers from foreign competition. In practice, this forces foreign exporters to raise prices to domestic support levels.

Import Licenses: Colombia has two types of import licenses. The most common is a standard import registration form known locally as "Registro de Importacion," which all importers must complete. These forms are for record keeping/statistical purposes and are available at the Colombian Foreign Trade Institute (INCOMEX). The other license applies to closely monitored, sensitive products such as precursor chemicals and weaponry. The majority of "used" goods, such as personal computers, cars, tires, and clothing, are effectively prohibited from import, and those that are allowed (e.g., used medical equipment) are subject to prior licensing.

Promotion: The quasi-public organization PROEXPORT engages in a variety of marketing and promotional activities in support of Colombian exports. It provides information on market access and business opportunities as well as organizes international trade shows and missions. PROEXPORT has offices in over 18 major foreign cities, many located in the United States. PROEXPORT plans to complete construction of its Internet web site by the end of 1999.

Taxes: See Section VI -Trade Regulations and Standards

Access to markets: In accordance with Andean Community Decision 291 of 1991, foreign investors now have the same access to Andean markets as domestic investors.

Performance Requirements: Labor laws require that, absent an exemption, at least 90 percent of a company's general work force and 80 percent of management must be Colombian nationals.
Local content requirements exist in the automotive assembly sector as outlined in decree 440 of March 1995, covering Colombia, Venezuela and Ecuador. As of January 1, 1997, a minimum of 32-33 percent of local content is required for passenger vehicles carrying up to 16 persons, and cargo vehicles carrying up to 10,000 lbs., to meet national origin standards. For all other vehicles, the requirement is 17-18 percent. Penalties will be established to enforce compliance with these percentages.

Colombia continues to assert its right to maintain an import licensing measure that requires agricultural processors in Colombia to purchase certain percentages of locally produced agricultural products (under what are called absorption agreements) in order to obtain a license to import such products. The Colombian Government claimed this to be a trade-related investment measure and so notified the WTO; however, it did so after the deadline for such notifications.

As part of the de-monopolization of the government-owned television network, Colombia passed the Television Broadcast Law (Law 182/95, effective January 1995) which potentially increases protection for all copyrighted programming by regulating satellite dishes. It also permits private television broadcasters to compete with the government-owned broadcaster. Foreign direct investment in the Colombian motion picture industry is permitted, but limited to 15 percent of the total capital of local TV programming production companies. The law increases restrictions on foreign content in broadcasting, including a complicated, burdensome system of sub-quotas for different hours of the day; national television broadcasters must transmit at least 70 percent locally produced programming during prime time and 40 percent during other times. Regional channels and local stations must transmit at least 50 percent locally produced programming.

Appropriate visas or other permits must be obtained for residents and for visitors conducting business over extended periods, but the Colombian Government does not impose unduly burdensome visa, residence or work permit requirements.

Regulatory System

As is the case with many developing countries, Colombia suffers from a relatively high industrial concentration in a few large conglomerates, a lack of effective antitrust laws and long-term credit, and underdeveloped stock markets not yet able to generate growth through equity financing.

Procurement: Law 80 (1993) is Colombia's guiding government procurement and contracting law. It stipulates equal treatment to foreign companies on a reciprocal basis and eliminates the 20 percent surcharge previously added to foreign bids. In implementing Law 80, the government instituted a burdensome requirement that companies without local headquarters must certify government procurement reciprocity in the home country. In June 1995, the U.S. Embassy began issuing certificates of reciprocity, which has proven successful in meeting this requirement. Law 80 does not apply to contracts for the exploration and production of renewable or non-renewable natural resources, their commercialization, and those activities performed by state companies involved in these sectors; nor does it apply to contracts for telecommunications, radio, mail and courier, television, and long-distance telephone services. Other laws govern these contracts, and suppliers to these sectors are selected through special licensing procedures. Colombia is an "observer" of, but not a signatory to, the WTO Agreement on Government Procurement (also see Chapter IV - Marketing U.S. Products & Services).

Several U.S. companies have been disadvantaged by a lack of transparency in the bidding process and by their unwillingness to provide "incentives" to Colombian officials charged with awarding contracts. One U.S. company lost bids on contracts worth over $100 million amid allegations of illicit payments made by competitors. Other U.S. companies have been unable to enter the bidding process due to their unwillingness to offer "financial incentives." A $93 million government contract was initially awarded to a foreign competitor, but then the entire bidding process was canceled by the government amid allegations of improper activities and bribes. The failure of a government ministry to fulfill its contractual obligations in a timely manner and stick to the terms of a signed contract resulted in severe financial losses for one U.S. company.

Bureaucratic Procedures: President Pastrana presented a series of decrees to eliminate burdensome bureaucratic procedures in June 1999. The decrees aim to reform various formal procedures, reduce paperwork and improve customer service. One decree, for example, significantly reduces the number of steps required to obtain copies of public records; another aims to reduce the time required to receive an environmental permit from 120 days to 60 days. In addition, the reforms are supposed to eliminate some 2,500 unfilled public sector jobs and limit each Ministry to one Vice-Minister to reinforce responsibility, authority and accountability.

Corruption

Corruption is prevalent in Colombia's public administration, although there is a process to bring alleged perpetrators to trial (Process 8,000). The four Comptroller Generals previous to the Pastrana administration served or are currently serving prison sentences for corruption. (Ironically, under the Constitution, it is the Comptroller's responsibility to root out public corruption.) Several current and former members of Congress are incarcerated or under investigation for accepting campaign funds and other benefits from drug traffickers. President Samper is presumed to have accepted approximately $6 million from the Cali drug cartel to support his 1994 campaign. Local media frequently report on corruption in the judicial system, National Police and the upper echelons of the Armed Forces. Weak law enforcement and border controls provide much opportunity for contraband smugglers; in 1999, the Colombian government estimated that drug traffickers smuggle $5 billion annually in contraband into the country as part of their money laundering operations. Corruption in the National Tax and Customs Directorate (DIAN) itself is an impediment to the Colombian Government's fight against contraband and related crimes.

The U.S. Customs service is working with DIAN to improve the latter's efficacy in curbing contraband and corruption. It is common knowledge that the real estate and construction sectors provide channels to launder drug-trafficking proceeds.

Title III of the Colombian Penal Code addresses crimes against public administration committed by public officials (e.g., embezzlement, extortion, bribery, illicit contracts, influence, illicit enrichment, dereliction of official duty, and misuse of authority). Law 190 (the "Anti-Corruption Statute") amends Title III to include money laundering as a crime and adds three to 15 year prison terms for violations of the statute. Law 200 sets forth a single disciplinary code for public officials/employees. Coupled with Law 190, Law 200 establishes norms for the performance of public servants and a range of administrative and criminal sanctions for non-compliance.

Enforcement: Impunity from prosecution on corruption continues to be the norm rather than the exception in Colombia. Enforcement problems arise not only at the police level, but also at the judicial level, where complaints about lack of respect for preservation of evidence and perjury are standard.

Under the Colombian constitution, the Comptroller, who is independent of the Executive Branch, is charged with rooting out public corruption. However, the Prosecutor General's Office (Fiscalia) is the only entity with authority to press criminal charges and prosecute. In the first semester of 1999, the Fiscalia prosecuted and incarcerated 80 public officials on corruption charges.

To intensify the anti-corruption fight, President Pastrana presented several decrees in June 1999. The decrees focus on strengthening and streamlining the agencies engaged in anti-corruption activities and making the directors of these institutions Presidential appointees. As well, the decrees create a public patrimony directorate charged with administering and protecting major state investments.
Several decrees aim to counter the estimated 30 percent customs/tax avoidance rate. DIAN is to acquire a special administrative unit under the Ministry of Finance with its own resources, as opposed to its current dependent status within the Ministry. Additionally, procedures are supposed to be enacted making it easier to fire corrupt officials.

Labor

According to the Labor Ministry, official unemployment stood at 19.5 percent as of March 1999 (the highest unemployment rate in Colombian recorded history). Experts estimate that up to 70 percent of national unemployment is structural, or due to a mismatch between the skills of Colombian employees and the educational/skill requirements of the Colombian market-a gap which has widened substantially since 1991 apertura. An additional 20 percent or so of the 15 million-strong Colombian labor force is considered to be under-employed, often working in the informal sector. Approximately seven percent are organized into over 2,200 unions, but the high level of unemployment, and weak union organization, have limited workers' bargaining power in all sectors. The standard work week is six days/48 hours; the legal minimum wage in 1999 is 236,000 pesos (about $140/month after the June 1999 devaluation), plus benefits. Roughly one-fourth of the work force earns the minimum wage.

The Colombian Constitution prescribes equal rights for women workers, the right to organize and to strike (except for the military, police and essential public employees), the right to organize and engage in collective bargaining, management, universal education, and expanded social insurance coverage. The Constitution also calls for the incorporation of ratified international labor conventions into the labor code. Labor regulations are virtually unendorsed and poorly observed in the large informal sector of the economy, and an estimated one million children (one-fifth of Colombia's children) work outside the home, often in difficult or dangerous conditions.

A number of trade-union leaders have been murdered, and threats, harassment, and acts of violence against trade-union officials abound. This situation has led to cases being lodged against the Government of Colombia by the Latin American Central of Workers (CLAT), the World Federation of Trade Unions (WFTU), the International Confederation of Free Trade Unions (ICFTU) and the International Labor Organization (ILO). In April 1996, the CLAT reported that at least 2,000 Colombian union members and leaders had been killed in the preceding five years. The ILO claims that more than 300 Colombian union members were killed between 1995 and 1998, and is considering establishing a Commission of Inquiry (COI) in fall 1999 over the issue.

Labor problems continued to plague various state-owned companies, particularly in the telecommunications and oil sectors, as they opened up to competition. Strikes have occurred regularly since 1995 in the state oil giant ECOPETROL, public financial entities, and the electricity, transportation, health and education sectors. In 1998, leftist oil workers in Barrancabermeja threatened to shut down the country's oil supply to protest the lack of government response to a massacre by paramilitaries.

Samper's government kept labor unrest in check by repeatedly acceding to worker demands even when it meant inflationary wage increases. The Pastrana Administration, in contrast, has met labor unrest with firmness and in most cases resolved disputes without major new expenditures. This held true even as the deepening recession in Colombia, and government plans for fiscal retrenchment, provoked increasing levels of labor disaffection through late 1998 and into 1999, including the three-week public sector strike in October 1998 marred by street violence and the killings of several labor leaders around the country. In June 1999, the government brokered an agreement, after four months of negotiations, between ECOPETROL and

USO, the powerful oil workers union. The agreement grants worker raises slightly above expected 2000 inflation, and is projected to cost ECOPETROL an additional $155 million in 1999-2000 over current payrolls.

Law 100 of 1993, which reformed the social security system, continues to have a major impact on Colombian employers and workers. The Law raised labor costs for employers, so that total costs, including parafiscal, medical insurance and other mandated payments, reached 53 percent over wages. These high costs, and the overall inflexibility built into the labor code, are partly responsible for the current record unemployment. While ministerial efforts to relax the labor code are underway, an increasing number of Colombian employers are seeking to cut costs by hiring labor from associative work cooperatives. Under Colombia's 1988 law on cooperatives, this labor is not subject to all the pension, parafiscal and other payments required in standard hiring. Up to two million Colombians are reportedly now affiliated with such cooperatives.

Capital Markets and Portfolio Investment

Since the opening of the Colombian financial sector in 1991, government policies have facilitated the free flow of financial resources to support industrial growth and development. Local companies also benefit from access to foreign financing through the capital markets.

Banking and Finance: The legal and regulatory framework of the Colombian financial system is based on the principle of specialized, legally distinct financial sub-sectors. These sub-sectors include commercial banks, savings and housing corporations, investment banks and commercial finance companies. Ownership remains oligopolistic; one group controls more than a quarter of Colombia's total financial sector.

Major concern over the Colombian financial sector's soundness has mushroomed since mid-1998 (see above, Chapter II). In June 1999 Congress approved a financial-sector reform bill, and the Pastrana administration began to implement measures to restructure the sector. The government is to merge and/or eventually sell most state-owned banks. The government's professed goal is to be left owning only the state agrarian bank (Banco Agrario). Bank sale proceeds are to go into shoring up Colombia's FDIC-equivalent, FOGAFIN.

Since Colombia's banking crisis of the early 1980s (which cost some six percent of GDP to redress), official oversight has greatly improved. In 1995, Colombia's Banking Superintendency set forth revised capitalization requirements based on the framework developed by the Committee on Banking Regulations and Supervisory Practices at the Basel Bank of International Settlements. The framework established five asset categories, each with its own risk rating. In fact, current Colombian standards are more exacting than those of Basel.

With respect to the exchange rate, the Central Bank determines a "price band" within which the daily dollar/peso quotation may move freely. On June 27, 1999, the Central Bank shifted the band by nine percent, increased its width from 14 to 20 percent (allowing for greater volatility without Central Bank intervention) and reduced its slope from 13 percent to 10 percent (reflecting a downward revision of inflationary expectations.) Traders and analysts are unconvinced that the new band will be sustainable into 2000, and there is increasing speculation that the currency may be floated in the medium term.

In August 1999, several of Wall Street's premier bond rating agencies revised their outlooks on Colombia to "negative", downgrading the country's sovereign debt to triple B-. The agencies cited Colombia's faltering peace process, increased security fears, and poor macroeconomic indicators.

Related Party Transactions: Decree 663 stipulates that loans to a financial institution's principal officers, their relatives or shareholder with a five percent or greater stake must be unanimously approved by the financial institution's board of directors. Loans to related parties (except those made to employees as part of health, housing, education, or similar programs) must not be offered at terms more attractive than those offered to non-related parties. Financial institutions are prohibited from making loans to broker-dealer, fiduciary, and pension fund management subsidiaries.

Stocks and Bonds: The three public exchanges (Bogota, Medellin, and Occident) reported a total volume of $35.9 billion in 1998. The Bogota exchange accounted for 57.2 percent of this volume; the Medellin and Occident (Cali) exchanges for 27.6 percent and 15.2 percent, respectively. Total market capitalization of the most widely traded companies in 1998 was approximately $11.1 billion.

While the Colombian securities market is small, it has enjoyed high rates of growth since the 1990 reforms. In nominal terms, 1998 volume was 21 percent higher than in 1997. In 1998, transactions of debt-type securities accounted for 92.5 percent of all transactions, with stocks representing the remaining 7.5 percent. Private bonds made up 17 percent of volume, while public bonds accounted for only 2.3 percent; 33.5 percent of total volume was in Certificates of Deposit, 22 percent in TES, and the remaining 17.8 percent in other types of securities (so-called Taps, Tacos, Cedulas Hipotecarias, etc). This is primarily due to attractive short-term interest rates during most of 1998, and a desire to maintain liquidity on the part of foreign and institutional investors.

By law, Colombian financial entities must comply with minimum investment requirements on government paper to promote social investment. For example, almost all banks and credit institutions are mandated to invest at least 2 percent of their liabilities in TDAs (agricultural development bonds.) Additionally, pension funds, insurance companies and mutual funds have regulated investment regimes in which government paper is classified as "eligible securities." Therefore, much of the market is represented by securities issued or backed by the government-approximately 23 percent of total transactions in 1998.

With the passage of Law 100 in 1993, the Colombian Congress reformed the social security system giving individuals the right to participate in private pension funds as well as those operated by the government. According to government statistics, approximately 40 percent of the country's 7.5 million social security participants continue to invest in private funds, while the majority of participants remain in the state-run system. The private and public sector investment portfolios do not vary greatly, however, which might explain why more payees did not switch to private funds between 1997 and 1998 as the government had predicted.

The securities market is regulated by the Superintendency of Securities (Supervalores), which answers to the Ministry of Finance. Supervalores oversees the exchanges, regulating market intermediaries, brokers' fees and the financial disclosures of listed companies. The Superintendency of Banks assumes some of the functions of Supervalores with regards to pension fund trading.

Supervalores has promulgated regulations aimed at ensuring transparency and honesty in the marketplace. These rules address registration of shares, processing of orders and the broker-client relationship. Most notable are the requirements for a standardized prospectus, financial reports and accounting procedures. Listed companies must present quarterly financial disclosures and annual, externally audited financial statements.

The exchanges are self-regulating within the guidelines set by Supervalores. They set admission policies, monitor transactions, conduct audits of brokerage activities and enforce rules through their disciplinary bodies. Typically, complaints involve routine matters such as failure to settle a transaction within a fixed time period. Enforcement is less diligent than in the U.S.

The institutions responsible for policing the exchanges include the National Registry of Stocks, the Central Depository of Stocks and the Centralized Depository of Stocks of Colombia (DECEVAL). The National Registry is maintained by Supervalores to inscribe market intermediaries and listed companies. The Central Depository and DECEVAL ensure smooth transactions by providing a central holding place for stocks.

Insider trading is prohibited, but there is little protest or action when it occurs. Sanctions have been rare, and features like the "Chinese Wall" are non-existent.

Ownership Limitations: Foreign investment funds cannot acquire more than ten percent of the outstanding voting shares of any Colombian company. Any transaction resulting in an individual or corporation holding 10 percent or more of an company's capital stock must obtain prior authorization from the Superintendency of Securities, which bases its decision on the candidate's professional experience and education, financial solvency, character, and the proposed transaction's likely effect on the general welfare. Additionally, any foreign investor (acting as an individual or an investment fund) must receive prior approval from the Banking Superintendency to acquire an equity participation of five percent or more in a Colombian financial entity.

"Cross-shareholding" and "stable shareholder" agreements are not used by private firms to restrict foreign investment through mergers and acquisitions. Likewise, private firms are not authorized to adopt articles of incorporation/association which limit or prohibit foreign investment, participation, or control.

Conversion and Transfer Policies

No restrictions apply to transferring funds associated with foreign investment. The only condition is that foreign investment into Colombia must be registered with the Central Bank within three months of the transaction date.

Foreign investors consider Colombia's conversion and transfer policies one of the main incentives for investment. For example, the government permits full remittance of all net profits regardless of the type or amount of investment (previously limited to 100 percent of the registered capital). As well, there are no restrictions to remittance of revenues generated from 1) the sale or closure of a business, 2) a reduction of investment, or 3) transfer of a portfolio.

Colombian law authorizes the government to restrict remittances in the event that international reserves fall below three months' worth of imports. Reserves have uninterruptedly been at least double that level for decades.

Expropriation and Compensation

The 1991 Colombian Constitution permits expropriation of private property in cases of public necessity (e.g., for a metro system) and/or social interest (e.g., agrarian reform). The general procedure requires the legislature to pass a law authorizing a project and the necessary expropriation. An administrative act then defines the property to be expropriated. The government and private property holder negotiate the amount of indemnification, based on the principal of "adequate and reasonable" compensation. If agreement is reached, the matter ends. If not, the local government must authorize expropriation and seek judicial approval. If obtained, the judicial decision establishes the amount of compensation. Colombia has not expropriated the property of a foreign investor in the past 50 years.

In June 1999, both chambers of the Colombian Congress unanimously approved the amendment of the clause in the Constitution's Article 58 which had theoretically provided for "expropriation without indemnification." Hence, Colombian law now guarantees indemnification in expropriation cases. Removal of the clause may now open the road to negotiations of a Colombian-U.S. bilateral investment treaty.

Dispute Settlement

Law 315 permits the inclusion of an international binding arbitration clause in contracts between foreign investors and domestic partners. The law allows the parties to set their own arbitration terms including location, procedures, and the nationality of rules and arbiters. In the absence of an arbitration clause, Colombian law mandates that the dispute goes before a Colombian judge for settlement.

Colombia is a member of the New York Convention on Investment Disputes, the International Center for the Settlement of Investment Disputes (ICSID), and the Multilateral Investment Guarantee Agency (MIGA).

Despite these memberships and Law 315, various U.S. companies have been burdened by Colombia's inadequate dispute settlement process. One U.S. company, for example, has been pursuing since 1982 an investment/contracting claim with the Colombian Government related to the discovery of a treasure-laden Spanish galleon off the coast of Cartagena. Two Colombian courts ruled in the company's favor in 1994, and the Colombian Supreme Court upheld these decisions on appeal in 1997. In April 1999, President Pastrana delegated the decision on whether to terminate or continue negotiations to the Colombian Commission on Antiquities and Shipwrecks. As of June 1999, the Commission had not released any decision on the matter.

Political Violence

Colombia has three main insurgent groups-the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the Popular Liberation Army (EPL) - whose combined numbers total approximately 11,000-17,000. Around 3,000-5,000 Colombians are killed annually by political violence. President Andres Pastrana came to office with the prime objective of achieving an end to Colombia's civil conflict. Talks between the government and the FARC (the largest insurgent group) began on an informal basis in January 1999, in the hinterlands of southern Colombia, but formal negotiations have been subject to repeated postponements.

The threat of urban narcotics-related violence and terrorism is less than in the late 1980's/early 1990's, when the Medellin drug cartel led by Pablo Escobar waged a war against its rivals and the Colombian Government. By the end of 1996, all the main Medellin and Cali drug cartel kingpins were either in jail or dead. Drug-related violence continues to constitute a serious security problem, however, especially in rural, coca-growing areas. In the last several years both the guerrillas and paramilitaries have become involved in various aspects of narcotics, principally the protection of coca crops and cocaine processing laboratories.

The insurgents (particularly the ELN, but increasingly the FARC) have ravaged Occidental Petroleum's Cano Limon-Covenas pipeline. This pipeline suffered more than one attack per week on average throughout 1998, resulting in millions of dollars' worth of damage. An attack on British Petroleum's Cusiana-Covenas pipeline in October 1998 resulted in 73 dead and the incineration of an entire Colombian village. The guerrillas have the capability of carrying out attacks on U.S. or U.S.-related targets (several U.S. companies have received threats for their refusal to pay the guerrillas protection money), but their primary kidnapping targets remain local politicians, wealthy Colombian nationals and foreign professionals working in rural areas.

Guerrilla actions, and the state's limited ability to combat them, have prompted development of illegal paramilitary organizations across much of northern - and, increasingly, southern - Colombia. Paramilitary violence, primarily targeting civilians suspected of collaborating with the guerrillas, has increased sharply since the mid-1990s. While paramilitaries have not targeted U.S. interests, they have contributed to the overall increase in violence in rural Colombia and threaten to expand their operations to urban areas.

Between them, the guerrillas, paramilitaries and criminal gangs kidnapped approximately 2,500 people for ransom in 1998 - upwards of half by the guerrillas. Insurgents kidnap as much for reasons of ransom as to obtain political attention. Between April and June 1999, the ELN guerrillas hijacked a domestic airliner with 50 passengers, took 150 churchgoers hostage in an upscale Cali neighborhood and kidnapped several sports fishermen in Barranquilla. The guerrillas have not only kidnapped but killed U.S. citizens in recent years. The FARC kidnapped and later murdered three American environmental activists in early 1999 in Arauca Department. Three American citizen missionaries remain unaccounted for since their seizure by the FARC in January 1993.

Random violence and petty crime are also common. With an overall homicide rate ten times that of the United States, Colombia continues to be listed among the most dangerous countries in the world. For all these reasons, U.S. diplomats and businesspersons resident in Colombia are at considerable risk and take substantial precautions.

Bilateral Investment Treaties

The objectives of a Bilateral Investment Treaty (BIT) are to protect U.S. investments abroad, to encourage adoption of market-oriented domestic policies in the foreign county, and to support the development of international law standards consistent with these objectives. BITs provide investors with six basic benefits: 1) the better of national or most-favored nation treatment; 2) limits on expropriation of investments, including requirement for prompt, adequate and effective compensation; 3) free and timely repatriation of profits; 4) the prohibition of performance requirements; 5) the right to submit an investment dispute with the treaty partner's government to international arbitration; and 6) the right to employ top managerial personnel regardless of nationality.

The June 1999 repeal of the expropriation without indemnification clause from the Colombian constitution removed the principal stumbling block to the negotiation of a U.S.-Colombian BIT. The reform also paved the way for Colombian ratification of BITs previously negotiated with Great Britain, Peru and Cuba. As well, Colombia is now well positioned to initiate or complete negotiations with Spain, France, Canada, Japan, Germany and China.

OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC) provides political risk insurance for U.S. businesses and investments abroad. OPIC revived coverage of U.S. investments in Colombia in April 1998, after a two-year shutdown due to Colombia's "decertification" by the U.S. for inadequate counternarcotics cooperation. In the nine months following restoration of its Colombian insurance program, OPIC received 20 applications for coverage, totaling approximately $850 million in potential investment. Examples of the type and scale of investment projects handled by OPIC in Colombia include power plant construction, natural gas pipelines construction and gold mining operations.

Capital Outflow Policy

Colombia does not restrict export of capital or outward direct investment. Colombia's foreign direct investment (FDI) abroad exceeded $1 billion in 1998 -- an increase of just over 50% from 1997, according to Central Bank figures. New investment in the Panamanian financial sector accounted for almost 100 percent of this increase. Although detailed FDI statistics are not available, it is likely that this increase is due to Panama's role as a way-station for Colombian investments ultimately transferred to third-party countries.

Foreign Direct Investment Statistics
(See Accompanying Appendix D, Tables 1-4)

New Foreign Direct Investment (FDI) declined significantly in 1998. According to the Colombian Central Bank, new 1998 FDI totaled approximately $3.2 billion, representing a drop of nearly $2.4 billion over the 1997 figure. This drop is attributable to several factors, including political uncertainty, a steep decline in oil sector related investment and a fall in privatization receipts.

Major Foreign Investors

(See Accompanying Appendix D, Table 5)

VIII. TRADE AND PROJECT FINANCING

The Financial System

Banks/Financial Institutions: As of July 1999, the Colombian financial system consisted of: 27 commercial banks (of which 5 are government-owned) and the Colombian Export Promotion Bank BANCOLDEX, 35 representative offices of foreign banks, 8 savings and loan corporations (CAVs), 23 development banks (also known in Colombia as "corporaciones financieras", 60 commercial finance companies (including 32 former leasing companies being converted into finance companies, which are also merging among themselves), 45 trust companies ("fiduciarias"), 27 insurance companies (two governmental), and a state-owned mortgage bank. Smaller players in the financial system include 11 pension and investment funds, 24 livestock financing funds, and 4 credit card networks. There are three stock exchanges, one each in Bogota, Medellin, and Cali.

The financial market is dominated by commercial banks which generally lend on a short term basis (two thirds of commercial bank loans are for periods of six months or less). U.S. investment has contributed to the modernization of the banking system in Colombia over the last 70 years, but no U.S. bank has come to occupy a dominant position in the market; U.S. presence in Colombia's financial system is relatively small. By mid 1999 the 27 commercial banks (with more than 3,100 offices throughout the country) accounted for 45 percent of the total financial system assets. Sector results during the first quarter of 1999 show losses of Col. $411,592 million. Public banks account for Col.$ 326,112; total sector assets decreased by 16 percent falling from Col.$ 10.4 billion in March of 1998 to Col.$ 8.7 billion in March of 1999. Liabilities in April moved up to Col.$ 6.75 billion. This amount is Col. $110,000 million less than the amount registered in the third week of March when the liabilities were Col.$ 6.86 million.

Due to financial difficulties, reduction of legal equity, lack of mandatory capitalization and/or bad managerial practices, various financial institutions have been intervened by the Banking Superintendency during the last 9 months; however, main reasons of the difficulties encountered in the sector are due to the economic recession suffered by the country over the last year. Two commercial banks (Pacifico and Andino) are being liquidated, and another (Selfin) was taken by government late in July 1999 probably to be liquidated; two government owned banks merged (Estado and Uconal); the largest government owned bank (Caja Agraria) was liquidated and replaced with the new Banco Agrario to serve the agricultural sector; FES, the largest financing company was taken over by the government in March 99 to be capitalized and re-sold to the private sector. Three other banks (Superior, Interbanco and Union) are being considered for approval of FOGAFIN individual loans to comply with the mandatory levels of capitalization; these banks will be under special monitoring by the Banking Superintendency during the period July-December 1999. The Superitendency goal is to restructure and reduce the number of institutions in the sector maybe up to 17 medium sized and large banks.

Foreign investors experience no discrimination in access to local credit. While the Colombian Government still directs credit to some areas (notably agriculture), credit is, for the most part, allocated by the private financial market. Credit subsidies are available in certain circumstances such as agriculture and technology investment and infrastructure in free trade zones. The Government believes in incentives for foreign investment and is currently studying the possibility of reforming key pieces of legislation, which would allow the promotion of foreign investment during Pastrana's tenure. A bill was passed in Congress to eliminate Article 58 of the Constitution, which allows expropriation without indemnification; the objective was to encourage foreign investment.

On July 15, 1995, the GOC announced this July 15, 1999 - that they had entered in an agreement with the IMF to obtain a special US$ 3 billion spare credit line devoted to support the macroeconomic reactivation program. By mid 1999 the fiscal deficit reached US$ 1.1 billion, representing 0.73 percent of the GDP; the forecast for the past year grew from 2.6 to 2.9 of the GDP in 1999. The increase is largely due to a gap in the collection of US$ 296,700 million and to non budgeted funds allocated for the reconstruction of the coffee region after the January 1999 earthquake.

Colombia has modernized the legal and regulatory framework governing its banking and financial entities as a result of the financial crisis of 1982. The crisis was brought on by among other things, inadequate capitalization, high-risk currency operations abroad, poor administration, and low productivity. The Colombian Government responded to the crisis (in which a number of banks failed) by nationalizing or intervening in banks, which in aggregate, controlled 85 percent of the financial system. In the late 1980s, as the health of the financial system improved, the government began planning the sector's liberalization, resulting in the enactment of three laws which laid the foundation for sectored reform: Law 45 of 1990, Law 48 of 1990, and Law 9 of 1991. These laws redefined financial institutions and the framework within which they operate and expanded financial operations within the Colombian economy.

In 1993, Law 35 of 1993 established the rules under which the Colombian Government may intervene in the financial sector. This law also provided for the transformation of leasing companies into commercial finance companies engaged in leasing and other consumer activities. Furthermore, it allowed savings and loan institutions to lend funds in areas other than construction and to participate as foreign exchange intermediaries.

The Colombian Banking Superintendency and the Board of Directors of the Central Bank are charged with implementing financial sector regulatory policies. The Central Bank is the independent regulatory authority for the monetary, currency exchange, and credit policies of the Central Government. It also acts as the fiscal agent for the Colombian Government by printing money, controlling currency circulation and international reserves. Furthermore, it has the authority to set maximum limits on the interest rates that commercial banks and other financial institutions charge on loans, and acts as their lender of last resort.

The Banking Superintendency supervises and regulates all financial institutions (including credit unions or "cooperatives" since early 1998), which must obtain authorization from the Superintendency before opening their doors for business. The Superintendency imposes administrative sanctions on violators of the established regulations or financial institutions' bylaws. The Superintendency, with the approval of the Ministry of Finance, may intervene in the operation and management of a bank. This includes liquidation of assets if the bank suspends payment of its debts, refuses to allow the Superintendency to audit its books, repeatedly fails to follow Superintendency instructions, repeatedly violates laws or its own bylaws, repeatedly mismanages its operations, or if accumulated losses exceed 50 percent of the original capitalization of the bank.

Three other entities also regulate the Colombian financial system: the Ministry of Finance, the National Council for Economic and Social Policy (CONPES), and the Financial Institution Guarantee Fund (Fogafin).

Reserve and Foreign Currency Requirements: Decree 663 stipulates that commercial banks (as well as all other limited liability stock corporations) maintain certain minimum legal reserves. Each limited liability stock corporation is required to annually allocate 10 percent of its net income to its legal reserves until they equal 50 percent of its outstanding capital stock. Subsequent increases in outstanding capital stock require corresponding increases in legal reserves. Reserve requirements may range from 5 to 70 percent and must be carried substantially as cash or deposits in the Central Bank. The reserve for non-government demand deposits is approximately 28 (21+7) percent for regular deposits and 12 (5+7) percent for CDTs. Although obviously designed in part as monetary control measures and to assure funding of certain government programs, these requirements coincidentally provide an excess margin of liquidity.

The Central Bank requires that commercial banks maintain a maximum foreign currency position through the purchase of dollars equivalent to 20 percent of their foreign currency denominated liabilities, but there is no minimum. They must inform the Central Bank within three working days if their foreign currency position is above the maximum legal requirement. Early in July of 1999 the Central Bank was forced to modify the exchange band and devaluated additional 9 percent (second massive devaluation during Pastrana's Administration).

Lending Regulations: The Central Bank establishes maximum amounts that individual financial institutions may lend to a single borrower. The maximum amount may not exceed 10 percent of a commercial bank's technical capital. The limit may be raised to 30 percent when any amounts lent above 10 percent are secured in accordance with the Central Bank's regulatory requirements.

The Money Market: Returns on fixed-income instruments fell in the second half of 1998 and the first semester of 1999 by approximately 20 to 22 points (November 98-July 99). The IRBB index (which records the five-day average of returns for fixed income securities on the Bogota stock exchange) showed yields on 60-day securities falling from 32.1 percent at mid-year to 24.9 percent at year-end and to 22 percent by July 1999, with yields on one-year securities falling from 33.4 percent to 28.2 and 22 percent during the same period.

The Bond Market: Citing a faltering peace process, increasing security concerns, a banking crisis, record unemployment and high fiscal deficit, financial analysts indicate that Colombia's sovereign debt could be downgraded in the near term. Despite its triple "B" minus bond rating, Colombia's sovereign debt trades at a DD (or junk bond) grade.

The Equity Market: Besides Bogota, there are stock markets in Medellin and Cali. The Bogota market is the largest (comprised of 189 listed companies), with total market capitalization close to US $15 billion at year-end 1998. The main money-market instruments are the Central Bank 90-day certificates of deposit (CDS). The local bond market is underdeveloped since the government and its agencies prefer to raise long-term funds in international capital markets.

Foreign Exchange Controls Affecting Trade

Colombia imposes no foreign exchange controls on trading. However, exchange regulations require that the following transactions be channeled through intermediaries (i.e. banks or other recognized financial institutions) authorized for such purposes:

- Imports and exports of goods;
- External loans and related financing costs;
- Investment of capital from abroad and remittances of profits thereon;
- Investment of Colombian capital abroad, as well as remittances of yields; and
- Endorsements and guarantees in foreign countries.

In 1994 the Colombian government granted amnesty to foreign investors who had not registered their investments, whereby principal and yields of investments made but not registered at the Central Bank before Resolution 51 of October 1991, were accepted as legitimate.

Prior Deposit Requirement:

The Banco de la Republica (Central Bank) has used the prior deposit mechanism off and on since the 1960's (Decree 444). By a Resolution of January 3, 1995, the Central Bank modified the terms under which any prior deposit can be released in the case of a loan pre-payment. This resolution sets out specific conditions, one of which must be met in order to liquidate any prior deposit. Those conditions are as follows:

- Whenever the Central Bank authorizes the exemption on justified grounds;
- In cases of substitution of loans by other loans obtained through the placement in international markets of capital securities for a term of five years or longer;
- In cases of external loans granted for the financing of projects through BOT, BOM, BOMT, BOOM contracts or similar, as long as the clause of mandatory payment has been made effective, the reasons indicated by the Central Bank; and
- After at least half of the agreed term has elapsed, the prepayment is made with the proceeds of foreign capital investment derived from:

a) The placement by foreign capital investors of depository shares or debentures convertible into shares or participation in Colombian companies; and

b) The conversion of foreign debt into capital, through the direct investment of foreign capital by means of the subscription by the creditor of shares or participation of capital in the indebted companies.

Banco de la Republica External Resolution No. 5 of May 1997 eliminated the requirement of registering with the central bank all foreign exchange loans obtained in Colombia. In addition, residents who obtained foreign exchange loans were once again required to deposit -- prior to the disbursement of the loans -- 25 percent of the loan's value, for 6 months with the Central Bank (Latest modification, External Resolution 1 of 1998). The deposit requirement is waived for foreign currency loans of up to US $550,000 (or its equivalent in other currencies) used to obtain export financing for terms of up to one year (previously, up to six months).
The Resolution also states that import financing for goods valued at less than US $5,000 (or the equivalent amount in other currencies) does not require a deposit with the central bank.

In October of 1997 the Banco de la Republica External Resolution No. 11 allowed residents to make payments to other residents in US dollars through current accounts held abroad. The measure was taken to avoid an exchange rate imbalance that could have resulted from an influx of US dollars from the US $2 billion purchase by Spanish company ENDESA in September of that year of a subsidiary of the Bogota Energy Co. While some authorized analysts say that this is a first step towards the dollarization of the Colombian economy, most concur that it was a necessary step to avoid a sudden imbalance in the exchange rate.

General Financing Availability and Terms of Payment

General trade finance is freely available and letters of credit widely used in Colombia. Methods, terms, and conditions of payment vary with the type of credit. Most imports of equipment are paid via irrevocable letter of credit (L/C), payable on sight against shipping documents. The L/C replaces the exporter's credit risk with that of the issuing bank; with L/Cs, the exporter and the importer has the L/C issued. Most L/C issued in Colombia are valid for 180 days.

Normal payment term is 60 days. There are transactional cases in which suppliers may extend terms to 90-120 days by time draft, but this is not common practice. When a satisfactory trade relationship has been established, terms are those generally applied in international trade. Short-term is considered any term under one year; medium-term is from one to three years, and long-term ranges from five years up to twenty years or more.

Non-traditional project financing schemes such as supplier credits are more readily available from European than from U.S. suppliers. Leasing, domestic and international (both operating and capital finance) are becoming popular, mainly because of the tax benefit it provides. Factoring is also available as well as international credit insurance. Transactional financing is more associated to consumer goods trade, while equity-based financing is more commonly used for project financing.

Export financing is available through the Colombian foreign trade bank (Bancoldex), through both private and multinational lenders, and through domestic sources. Exporters can arrange for financing of their local suppliers through domestic back-to-back letters of credit. Terms include advance payment, cash on delivery, letter of credit, documentary collection of bills of exchange, consignment, and open account.

EXIM: Short-term, medium-term, and long-term programs of the Export-Import Bank of the U.S. (Eximbank) were temporarily suspended for Colombia during the period March 1996 - March 1998 because of the U.S. Government's "decertification" of Colombia due to insufficient counter-narcotics cooperation in preceding years. In March 1998, Colombia received a national interest waiver and once again qualifying for Eximbank coverage and in 1999 full certification. EXIM is now open for business in Colombia with its full range of services. Loans approved and committed prior to the March 1996 decertification were honored and executed during the decertification period.

Eximbank offers a range of loan, insurance and loan guarantee programs to facilitate exports of U.S. goods and services to Colombian governmental and private companies. Eximbank's programs include direct loans, commercial lender working capital, loan guarantees, and intermediary loans. Eximbank also offers various export insurance programs, including short and medium-term export insurance, multi-buyer insurance, letter-of-credit insurance, and lease insurance policies.

Exports of capital equipment may be supported by Eximbank's long-term loans and guarantees (up to 10 years repayment), or medium-term loans, guarantees and insurance (up to 5, exceptionally 7, years including disbursement). Long-term business in Colombia has been concentrated in the natural resource, aircraft, power, and petrochemical sectors. Exports of consumer goods, spare parts, and raw materials may be supported under Eximbank's short term (up to 180, exceptionally 360 days) credit insurance.

On the buyer's credit side, Eximbank offers long term direct loans and guarantees (repayment in 10 years) as well as mid-term loans and guarantees (repayment in 5 years). In Colombia, Eximbank does not require that a commercial bank be the obligator or guarantor on mid-term transactions. If the risk is with a non-bank company, its audited balance sheet and income statements must be very strong, and the company must have a good commercial track record.

Most of Eximbank's recent medium-term Colombian business has been under Credit Guarantee Facilities (CGF). A CGF is a medium term line of credit extended by an U.S.-based bank to a foreign bank that is, in turn, guaranteed by Eximbank. Companies in Colombia wishing to purchase U.S. goods or services on credit can approach participating Colombian banks for credit. If the Colombian bank agrees to extend the purchaser credit, it will execute a transaction utilizing the credit facility it has with a participating U.S. bank. The Colombian purchaser can then advise its U.S. supplier that financing arrangements have been concluded. The U.S. supplier then presents its export documents to the funding U.S. bank and receives payment. The Colombian bank is the obligor under these facilities and the party responsible for repayment to the U.S. bank.

Eximbank requires information on proposed obligators and guarantors. Such information includes financial statements and credit references. Engineering data is required for long-term transactions. The maximum coverage is 85 percent of the equipment FOB price. Most popular financing ranges from US $100,000 to US $50 million for repayment in two to seven years. Payments of amortization plus interest are due every six months.

For additional information on Eximbank programs please contact:

Export-Import Bank of the United States
811 Vermont Avenue, NW
Washington, DC 20571
Phone: (800)565-EXIM, (202)565-3946
Fax: (202)565-3380
e-mail: bdg@exim.gov
Internet: www.exim.gov

Regional Eximbank Offices:

New York, NY
Tel: (212) 466-2950
Fax: (212) 466-2959

Miami, FL
Tel: (305) 526-7425
Fax: (305) 526-7435

Houston, TX
Tel: (713) 589-8182
Fax: (713) 589-8184

Chicago, IL
Tel: (312) 353-8081
Fax: (312) 353-8098

Long Beach, CA
Tel: (310) 980-4580
Fax: (310) 980-4590

Available Project Financing

Multilateral Funding Agencies and Financial Markets: Although several multilateral agencies such as the World Bank, the Inter-American Development Bank, the Andean Development Corporation, the Export-Import Bank of Japan, the Agency for International Development of the U.S. (and also those of Japan and Canada) and the U.S. Overseas Private Investment Corporation (OPIC) are active in providing financing for projects in Latin America and the Caribbean, there is no record of providing major direct financing for greenfield projects in Colombia, except by the significant participation of the Andean Development Corporation (ADC). The ADC has provided direct financing to the private sector for the development of greenfield projects in various infrastructure sectors, including a US $19 million loan to Occidente y Caribe Celular S.A. (OCCEL) to finance the acquisition of a cellular phone operation license, a US $20 million loan for the Buga-Tulua-La Paila road project, and partial financing of an independent electric power project in Mamonal.

Major multilateral agencies, such as the World Bank, can not lend directly to the private sector, although they represent a very important source for financing government projects. The Interamerican Development Bank (IDB) established a private sector department only three years ago. These new sources, along with the debt, equity and quasi-equity financing provided by the Interamerican Investment Corporation, may become an important financing source for infrastructure projects developed by the private sector.

Recent infrastructure projects have been financed mostly by syndicated loans with participation of foreign commercial banks and multilateral agencies, and to a lesser degree by accessing foreign capital markets. The access to foreign commercial banks has been necessary, not only to obtain the financial closing of projects on time, but also to obtain bridge-loans before the projects can access the capital market.

Major limitations faced by the sponsors in obtaining non-resource financing through multilateral agencies or by accessing the capital markets are related to deficiencies in the legal documentation and financing structure of the projects. The access to non-resource financing is based on the correct allocation of external and internal project risks among the sponsors, developers, and users of the project. In most cases, projects have been developed through contracts awarded by the public sector to a private consortium in which the allocation of risks (costs overruns, commercial and regulation risk) is not acceptable to institutional investors or multilateral agencies. To obtain this type of financing, the Central Government has provided guarantees of payments, as was the case for most of the power projects developed in the last four years.

Given the current budgetary deficit, the Central Government has adopted a much more restrictive policy toward national guarantees to back project debt. In many cases, restrictions have determined the access to commercial banking loans, which are an easily accessible "alternate" financing source of short duration. Commercial banking loans do not constitute an optimal source of financing, because of the financial conditions (terms and interest rates) offered by the banks, including shorter terms and higher rates than those obtained with multilateral agencies or in the capital markets.

Four recent infrastructure projects - the construction of two gas pipelines, the second Eldorado airport runway (inaugurated in June 1998), and a 350 MW hydroelectric project - demonstrate how through different allocations of risk each of these projects was able to successfully gain access to capital markets before beginning their operation phase.

-The Ballena-Barranca and Mariquita-Cali gas pipeline projects obtained US $191 and US $275 million in a Rule 144 A bond issue. In these cases there was an adequate allocation of risk provided for in the legal documentation of the project. Additionally, the off-taker's credit worthiness (ECOPETROL) was acceptable to institutional investors when evaluating project risk.

-Financing for the second Eldorado airport runway was structured through a bankable contract. The terms and conditions of the project were acceptable to institutional investors and contained an adequate commercial risk allocation. The project obtained an investment grade rating and access to the capital market with a US $100 million Rule 144A issue.

-The Miel power project accessed the Rule 144A market with a US $300 million issue for a 15-17 year term, at 13.7 percent interest. A national guarantee was necessary to facilitate financing through a bond issue.

IDB: The Inter-American Development Bank (IDB) lent US $3 billion during 1997-1998 for projects to support economic and social development in Latin America and the Caribbean. While U.S. firms tend to associate international procurement with large civil works contracts for infrastructure projects, there are many opportunities in other sectors in which the bank is active. For U.S. firms, specific opportunities will depend on how competitive the local industry is and what the bank's lending priorities are for Colombia. Interesting opportunities can be found in sectors that generate smaller contracts, such as for social programs, which often entail a diverse, small-scale supply of goods and consulting services. IDB loans to Colombia totaled an estimated US $538.4 million in 1995, US $143.5 million in 1996, US $216.5 million in 1997, and US $437.8 million in 1998. .

For 1999 the estimated amount is US $ 1.6 billion, of which approximately US $1.0 billion is earmarked for sectoral loans.

However, this allocation is subject to the outcome of negotiations with the International Monetary Fund (IMF) agreement, currently underway (August 1999).

The Inter American Development Bank is currently supporting the Colombian modernization of the health sector (Law 100) through investment loans and the redefinition of the government's role, with projects that focus on decentralization of services and developing new systems to finance the delivery of health services.

IADC: During 1995-1996, the Inter-American Development Corporation (IADC) approved a US $3.33 million equity investment in Corfisura Fondo de Desarrollo de Empresas (Colombia's first development capital fund) to provide development capital to export-oriented companies in agri-business, manufacturing, mining, and emerging technology sectors. The expected capitalization for the fund is US $10 million (of which one-third will be contributed by Corfisura). The fund will seek long-term capital gains by investing in equity and quasi-equity securities issued by small and medium-size businesses that need capital for growth and will assist entrepreneurs in the areas of management, technology, and market development. By investing in the fund, the Interamerican Development Corporation will help to support a larger number of beneficiaries than it could reach directly.

World Bank: In 1994, Colombia approved through Law 149, its adherence to the Multilateral Investment Guarantee Agency (MIGA), created in 1985 by the World Bank, to stimulate the flow of resources for productive ends between member countries and in particular toward developing countries. The agreement has been an effective instrument in attracting foreign investment to Latin America countries and in the case of U.S. firms, helped to substitute for OPIC during the time Colombia was decertified. World Bank loans disbursements to Colombia in 1998 totaled US $194 million and budget allocation for 1999 is US $610 million.

Colombian Financing Sources: In Colombia, the level of national savings has not been sufficient to sustain the development process, and consequently the Government and the Central Bank (Banco de la Republica) are important sources of funding for the financial system. The Banco de la Republica, in addition to providing the usual discount facilities to support system liquidity, manages several special government funds to promote lending into a number of sectors that have been determined to be important to development or economically essential.

The funding resources come from government capital, bonds (a portion of which the financial institutions are required to buy and, to that extent, may be funding themselves) and current fiscal appropriations, if needed to cover deficits. Accessibility to the funds tends to require considerable paperwork; applicants must qualify, and margins are limited.

For the banks, the most important of the almost dozen such funds are:

- The Industrial Finance Fund (FFI)
- The Private Investment Fund (FIP)
- The Agricultural Fund (FINAGRO).

Their importance as funding resources has been diminishing rapidly, however, and their impact currently is probably less than two percent of total banking resources. The decline in usage is due to the relatively unattractive margins involved and the rapid increase in bank liquidity over the last two years.

Colombia's Industrial Development Fund (IFI) has been heavily involved in project financing and has taken over most of the obligations acquired by the financial funds administered by the Central Bank before the restructuring of the Central Bank in 1992. IFI has equity in such major Colombian projects as Cerromatoso (ferronickel mine) and the Cerrejon open pit coal mine (the world's largest). The Minister of Finance announced that during Pastrana's administration four government owned financial institution (IFI, FONADE, FINDETER, and FEN) will merge to create the new Fondo Financiero Nacional.

OPIC: As with Eximbank, the services of the Overseas Private Investment Corporation (OPIC) were temporarily suspended from March 1996 - March 1998 due to the U.S. decertification of Colombia. Immediately following the March 1998 national interest waiver, OPIC reinstated its programs in Colombia. OPIC President George Munoz visited the country in May to officially declare themselves "open for business". (Commitments made prior to the March 1996 decertification were honored and executed during the decertification period.)

OPIC is a U.S. Government agency that supports, finances and insures projects that have a positive effect on U.S. employment, are financially sound and promise benefits to the social and economic development of the host country. OPIC assistance is available for new investments, privatization, and for expansion and modernization of existing plants sponsored by U.S. investors. There is no requirement that the foreign enterprise be wholly owned or controlled by U.S. investors. However, for a project with foreign ownership, only the portion of the investment made by the U.S. investor is insurable by OPIC. Written requests for general information should be addressed to:

Information Officer
Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, DC 20527
Fax: (202) 408-9859

Banks with Correspondent U.S. Banking Arrangements

Virtually all Colombian banks have correspondent banks in the United States. The following are some major Colombian banks with correspondent relationships:

Colombian Bank	U.S. Correspondent Banks
Banco Cafetero	Atlantic Bank of New York

Banco Cafetero Intl. Corp. New York
Barclays Bank of Miami
Chase Manhattan Bank, New York
Chemical Bank, New York
Citibank, New York

Philadelphia National Bank, Miami
Standard Chartered Bank of New York
Swiss Bank of New York

Banco de Bogota   American Express
Banco de Bogota, Miami
Banco de Bogota, New York
Bank of America, San Francisco
Bank of Boston
Bank One of Miami
Chase Manhattan Bank, New York
Chemical Bank, New York
Citibank, New York
Commerce Bank of Miami

BanColombia   Chemical Bank, New York
Citibank of New York
Eagle Bank of Miami
First Bank Corporation of New York
Philadelphia International of New York
Standard Chartered of New York

Banco Ganadero   ABN Amro Bank of Miami
Banco Ganadero of Miami
Bankers Trust, New York
Chemical Bank, New York
Citibank, New York
Philadelphia Bank of New York
Standard Chartered, Miami

Banco de Occidente   Nations Bank of Florida
Citibank, New York
Chemical Bank, New York

Banco Popular   Banco Nacional Laboro of New York
Bank of America, San Francisco
Bank of Boston, Miami
Bank of San Francisco
Barclays Bank of Miami
Chemical Bank, New York
Citibank, New York
Standard Chartered of Miami
Swiss Bank of New York

According to the information provided by the Federal Reserve Bank of the United States. there are five Colombian banks which have branches in the U.S.: Banco de Bogota has branches in Miami and New York City, Banco Cafetero has a Miami-based Edge Act bank; Banco Ganadero operates a Miami-based Agency which is chartered by the U.S. Government; and Colpatria also has a Miami-based agency which is chartered with the State of Florida.

IX. BUSINESS TRAVEL

Business Customs

As most of what Americans hear in the press about Colombia is negative, first time business visitors are usually pleasantly surprised at the high level of development and sophistication of the Colombian private sector. Colombian business people tend to be well-educated (often with some training in the U.S.) and professional. They are serious, hardworking, and share many of the same work habits and ethics as business people in the United States. This is one of the many reasons that, despite Colombia's political and social problems, knowledgeable U.S. business people have for many years come to Colombia to do business.

Colombians tend to be friendly, straightforward and direct in their business dealings. They understand the give and take of business and look to negotiate business arrangements that will be of mutual advantage to both parties. Colombian business people are generally punctual, yet flexible, and expect the same of their business associates. Most business customs are similar to those in the U.S.

Given the proximity of the two countries and the long-term presence of U.S. firms in the market, Colombians are used to doing business with the U.S. Many of them have traveled or studied in the United States and have family members or friends there. Colombian executives and technicians, as well as government officials, travel frequently to the U.S. for meetings, conferences, trade fairs, training and tourism.

Working breakfasts and lunches at hotels and private clubs have become common practice in most Colombian cities. Dinner meetings tend to be less formal. Business cocktails and official receptions are common events and are used as opportunities to make contacts and discuss outstanding business. Colombian trade associations, government entities and private firms are hosting an increasing number of national and regional conventions, conferences and seminars in the country. These event present excellent opportunities for meeting Colombian business people and key government officials as well as for assessing market potential.

Travel Warning and Visas

Currently there is a State Department travel warning in effect for U.S. citizens planning travel to Colombia due to the violence which continues to affect all parts of the country and the fact that U.S. citizens have been victims of recent kidnappings, threats and murders (See Section VII "Investment Climate - Political Violence" for additional background information).

Most business persons who visit Colombia travel primarily to the major cities and commercial centers of Bogota, Cali, Medellin, Barranquilla and Cartagena where care should be taken against such common large city crimes as pickpockets, jewelry and purse snatching, and currency scams. Selection of a good hotel, keeping valuables in a hotel safe, use of authorized taxis and hired care services, and common sense avoidance of certain areas of town will help to reduce the risk of falling victims to these crimes. At airports care should be taken with hand luggage and travel documents.

Travel between cities should be by air in order to avoid rural areas controlled by guerillas, narcotics traffickers and paramilitary groups.

Travel outside of the major cities is not recommended. Those who absolutely must travel to facilities in outlying areas (most commonly oil and mining professionals and technicians) are advised to adhere strictly to the security regulations and guidelines established by their companies.

U.S. business travelers can obtain copies of the travel warning and other up-to-date travel information and publications on Colombia via Internet at: http://travel.state.gov. Travelers can also hear recorded information by calling the Department of State in Washington, D.C. at (202) 647-5225 from a touch tone telephone or receive information by automated telefax by dialing (202) 647-3000.

Upon arrival in Colombia, U.S. citizens are urged to register with the Consular Section (American Citizens Services) of the U.S. Embassy in Bogota at Calle 22 D Bis, No. 47-51 (at the intersection of Avenida Eldorado and Carrera 50); Tel: (571) 315-0811 or 315-1566, Fax: (571) 315-2197/6. The Consular Agency in Barranquilla is located at Calle 77 No. 68-15; Tel: (575) 353-2001/353-0974, Fax: (575) 353-5216.

Visas: U.S. citizens traveling to Colombia are required to carry a valid U.S. passport and a return/onward ticket. U.S. citizens traveling as tourists do not require entry visas for stays of less than 30 days. Tourist visas are granted for only one entry, for a maximum period of up to sixty calendar days. Stiff fines are imposed if passports are not stamped on arrival and if stays exceeding 30 days are not authorized by the Colombian Immigration Agency (DAS Extranjeria).

Although business travelers may enter Colombia on a tourist visa, they should be aware that they may not establish a domicile in Colombia and that the activities they engage in may not produce honoraria or salaries in Colombia. Businessmen traveling under a tourist visa should also be aware that contracts they sign or business they transact may be considered invalid and/or non-binding. Business visas are valid for up to three years, can be renewed, and can be used for multiple entries into Colombia for stays of up to six months per visit.

For current information on entry and customs requirements for Colombia, business travelers should contact the Colombian Embassy in Washington D.C. at 2118 Leroy Place, N.W., Washington D.C., 20008; Tel: (202) 387-8338, or the nearest Consulate in Atlanta, Boston, Chicago, Houston, Los Angeles, Miami, New Orleans, New York City, San Francisco or San Juan, Puerto Rico.

U.S. Non-Immigrant Visas for Colombians: All Colombians traveling to the United States need visas. Anyone planning to invite Colombians for business meetings, trade shows, training, etc., should factor the time it takes to get a visa into their plans and invitations in order to avoid disappointment. A personal interview is required in most instances; the wait for an interview for a new visa at the U.S. Embassy in Bogota (which processes U.S. visas for all of Colombia) varies depending on the season but can be as long as twenty weeks (20). A quicker visa turnaround is usually limited to renewals (one week) and true emergencies (business meetings, attendance at conferences, etc., are not considered emergencies). U.S. companies wishing to assist their Colombian contact should fax or mail a letter of support/invitation, which they can present at the interview, directly to the individual concerned.

The Consular Section has a special Business Visa Program for companies. Firms registered with the Embassy are able to process visas for their executives and immediate families (spouses and unmarried minor children) and other employees (including trainees) without an interview. For further information, please contact the Business Visa Program officer at (571) 315-0811 Ext. 2738 or send information request to Fax: (571) 315-2127.

Holidays

Prior to planning business travel, it is advisable to consult the schedule of holidays. It is strongly recommended that business trips be avoided during Holy Week (the week before Easter) and the Christmas holiday season (December 11 to January 7). Visitors may also find it difficult to make business appointments during "puentes" (Fridays or Mondays which "bridge" the weekends with official holidays falling on Thursday or Tuesday.)

Colombia's official 2000 holiday calendar as follows:

January 1	New Year's Day
January 10	Epiphany
March 20	St. Joseph Day
April 20	Holy Thursday
April 21	Good Friday
May 1	Labor Day
June 5	Ascension
June 26	Corpus Christi
July 3	Feast of the Sacred Heart & St. Peter and St. Paul
July 20	Independence Day
August 7	Battle of Boyaca
August 21	Assumption Day
October 16	Columbus Day
November 6	All Saints' Day
November 13	Independence of Cartagena
December 8	Feast of the Immaculate Conception
December 25	Christmas

The U.S. Embassy will be closed on some Colombian and all American holidays. In 1984, Colombia passed a law moving many weekend holiday celebrations to the following Mondays.

Business Infrastructure

Hotels: Facilities and services in major Colombian hotels are similar to those found in the United States. Prices vary, but generally range from US $130-$180 per night for a single room. Among well-known hotels located in Bogota are the following: the Tequendama Intercontinental, Forte Capital (near downtown and the airport), Howard Johnson, Holiday Inn, Embassy Suites, Victoria Regia, Bogota Royal, Hacienda Royal, Bogota Plaza, Fontana, Melia, Casa Medina, and Casa Dann Carlton (in the north of town). In Medellin: the Intercontinental Hotel, Park 10, Poblado Plaza and Las Lomas (Rionegro). In Cali: the Pacifico Royal, Dann Carlton and Intercontinental Hotel. In Cartagena: the Hilton, the Intercontinental, Hotel Caribe, Santa Clara and the Santa Teresa. In Barranquilla: Hotel del Prado and Dann. Many U.S. hotel chains (Hyatt, Marriott, and Sheraton) have plans underway and/or are currently building hotels in other parts of the country. All of these hotels provide shuttle services to and from the airport.

Communications: Colombia has a relatively modern domestic and international telecommunications system. AT&T, MCI and Sprint (Global One) are the most commonly use international calling services. Cellular phones are widely used in Colombia with automatic roaming within the country; there are also roaming agreements with the U.S. and most other Latin American countries. Internet connections are coming into increasing use in Colombia. Teleconferencing facilities are available.

Airports: All business travel between cities in Colombia is by air. Colombian air transportation is well-developed with international airports in Bogota, Barranquilla, Cartagena, Cali and Medellin providing regular flights to major cities abroad. Frequent domestic flights connect principal cities within Colombia. Business travelers should be aware that prior flight reservations within Colombia (even though pre-paid) are not always honored and flights may be over booked to popular destinations such as Cartagena. Internal flights are frequently late or several may be combined if there are not enough passengers.

Taxis: There is taxi service available at all major hotels. Given traffic conditions and security concerns, it is recommended that business travelers contract for hourly taxi service (green and white taxi service located in most of the major hotels in Bogota). The current rate is about US $6.00 per hour. Door-to-door taxi dispatch service is also offered by calling a "radio taxi" which tends to be safer than hailing a taxi on the street.

Business Hours: The work week is Monday - Friday. Normal working hours are either 8 a.m. - 12 noon and 1 p.m. - 5 p.m. or 7:30 a.m. - 4:30 or 5:30 p.m. with an hour for lunch. Most commercial offices follow the first system and most manufacturing operations the second.

Banking Facilities: Banks are open to the public from 9 a.m. to 3 p.m. Monday - Thursday, and from 9 a.m. - 3:30 p.m. on Fridays. On the last work day of the month, banks close at noon. Some international banks and savings/credit corporations have extended schedules, even 24-hour service. Banking hours in other Colombian cities differ from those in Bogota: office and business hours are usually between 8 a.m. and 6 p.m. Most U.S. business travelers to Bogota change money at either Citibank or Banco Union Colombiano.

Shopping: Most stores are open between 9:00 a.m. and 7:00 p.m. or 8:00 p.m. on weekdays, and Saturdays. Some food stores (but very few other establishments) are open on Sundays and holidays. When paying by cash, it is sometimes possible to negotiate a discount at some stores.

Credit Cards: Visa, Master Card, American Express and Diners are readily accepted by most hotels and chain stores.

Business Dress: Business clothing varies somewhat depending on the climate of the region of the country being visited. In Bogota and the mountain region, dress is more formal and colors are darker than in tropical areas. Business suits for men and suits and pantsuits for women are customary during the business day and for evening events such as dinners, cocktails and receptions. In tropical and semi-tropical areas (Cartagena, Barranquilla, Medellin and Cali) dress is less formal: lightweight suits for men and lightweight dresses and pantsuits for women.

Language: Spanish is the official language and spoken throughout the country. It is advisable to have some knowledge of Spanish or to hire the services of a qualified interpreter, although many senior executives and government official speak English.

Promotional Material: Business visitors should be prepared with good quality promotional materials and price lists for the product lines which they are offering. It is strongly recommended that all product literature be in Spanish or dual language. Where appropriate, small samples help make preliminary meetings more effective.

Climate: Due to its high altitude, the weather in Bogota is almost perennially similar to that of mid-Autumn or mid-Spring in much of North America. Daytime temperatures are in the upper 60's (Fahrenheit), and in the 40's and 50's at night. Much of the rest of the country is tropical (Cartagena and Barranquilla) or semi-tropical (Medellin and Cali).

Altitude: Travelers to Bogota may require some time to adjust to the altitude (8,600 feet) which can adversely affect blood pressure, digestion and energy level.

Medical Facilities: Medical care is adequate in major cities, quality varies elsewhere. In Bogota, in particular, travelers can find very qualified general practitioners and specialists. Doctors and hospitals often expect immediate cash payment for health services. U.S. medical insurance is not always valid outside the United States. Visitors with a particular medical problem may therefore wish to consider supplemental medical insurance with specific overseas coverage, including provision for medical evacuation or other emergencies.

Food/Water: Tap water is generally considered safe to drink in major cities. A variety of international restaurants can be found in most major cities, including American fast food restaurants such as McDonalds, Pizza Hut, Jenos Pizza and KFC. Colombian cuisine has been influenced by a combination of Spanish, African, and native traditions. Due to the variety of climates and cultures each region has developed its own cuisine, according to what is grown locally. Some typical Colombian dishes include: ajiaco (a potato and chicken stew), lechona (pork dish), frijoles (beans) and tamales. A large variety of fresh tropical fruit juices are served throughout the country.

Electricity: Electrical current is 110/220 V, 60 Hz as in the U.S. However, there are frequent power outages and surge protectors are recommended for computers and other sensitive equipment.

Weights and Measures: Although Colombia uses the metric system, weight is often figured in pounds and gasoline sold by the gallon.

A general "Guide for Business Representatives" is available for sale through the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; Tel: (202) 512-1800; Fax: (202) 512-2250. Business travelers to Colombia seeking appointments with U.S. Embassy Bogota officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at (571) 315-2126/315-2298 or by fax at (571) 315-2171/315-2190.

X. APPENDICES

A. COUNTRY DATA

1. Population: 40 million
2. Population Growth Rate: 1.8%
3. Government: Constitutional democracy, bicameral legislature, strong presidency.
4. Religion: Catholic (90%)
5. Language: Spanish
6. Work Week: Monday-Friday

B. DOMESTIC ECONOMY

In millions of U.S. Dollars or Percentage Changes (e/estimated; p/forecast; y/year-end)

	1997	1998(e)	1999(p)
-GDP (current millions of USD)	87,177	89,710	90,341
-GDP Real Growth rate (%)	3.1	0.6	0.0
-GDP per Capita (current dollars)	2,446	2,243	2,219
-Government spending as % of GDP	19.1	19.5	19.0
-Inflation (%)	17.7	16.7	13.0
-Unemployment Rate (Urban) (%)(y)	12.4	15.6	21.0
-Net International Reserves (y)	9,881.5	8,704	8,690
-Avg. Exchange Rate for USD 1.0	1,141	1,425.9	1,600
-Debt Service/Exports of Goods and Services (%)	20.0	22.0	23.5
-U.S. Military/Economic Aid	n/a	n/a	n/a

Note: All figures are in U.S. dollars.
Sources: Central Bank, National Planning Department of Colombia and U.S. Embassy Bogota

C. TRADE

(USD Millions) (including Hydrocarbons)

	1997	1998(e)	1999(p)
Total Colombian Exports (FOB)	11,529	10,821	10,550
Total Colombian Imports (CIF)	15,378	14,634	13,931

U.S. Exports (CIF)	5,397	4,653	4,373
U.S. Imports (FOB)	4,262	4,020	3,940

Note: All figures refer to merchandise trade only and are in U.S. dollars.
Sources: DANE, Colombian Foreign Trade Ministry, Central Bank, and National Planning Department

D. FOREIGN INVESTMENT STATISTICS

TABLE 1

Foreign Investment in Colombia by Country
(Thousands of US dollars)
(Excludes Portfolio and Petroleum)

Country Stock	1998	% Total	Invest 97	Invest 98
United States	4,330,452	28.1	587,148	86,908
Canada	203,952	1.3	27,359	-27,004
Mexico	80,623	0.5	42,807	6,669
Panama	2,501,993	16.2	272,625	1,429,987
Argentina	25,026	0.2	1,063	4,885
Brazil	78,218	0.5	12,730	8,825
Chile	63,572	0.4	27,554	-16,112
Ecuador	98,369	0.6	10,688	-37,617
Peru	24,342	0.1	9,796	-59
Uruguay	33,533	0.2	4,855	-7,893
Venezuela	301,602	2.0	-56,080	42,621
Antilles	156,883	1.0	20,632	-3,649
Bahamas	195,940	1.3	82,558	75,145
Bermuda	250,143	1.6	180,580	64,967
Virgin Islands	634,816	4.1	357,017	70,867
Germany	320,677	2.1	83,025	41,910
Spain	2,176,921	14.1	83,617	1,652,381
France	254,266	1.6	30,932	27,076
Holland	295,530	1.9	33,204	45,415
Ireland	23,597	0.1	-4,237	687
Italy	44,984	0.3	26,892	-14,213
Liechtenstein	48,283	0.3	4,536	-12,219
United Kingdom	385,931	2.5	38,330	-9,401
Sweden	90,512	0.6	-1,293	-1,740
Switzerland	368,735	2.4	46,880	68,401
South Korea	560	0.0	107	-2,071
Japan	216,734	1.4	45,030	39,667
Others	2,200,187	14.6	964,572	650,613
Total	15,406,381	100.0	2,932,927	4,185,406
Portfolio Flow			561,760	-264,925

Source: Central Bank
Note: Statistics are based on investment registrations in the Central Bank. Figures are different from the foreign investment figure used in the Balance of Payments, and not necessarily match.

TABLE 2

Foreign Investment flow in Colombia by Activity
(Thousands of US dollars)

Activity	Invest 96	Invest 97	Invest 98
Petroleum	790,901	890,000	642,000
Manufacturing	646,683	640,688	575,642
Mining	45,531	289,444	101,131
Financial	666,689	455,026	747,179
Commerce	51,141	2,940	238,114
Construction	27,543	44,667	22,698
Transp/Commun.	157,863	360,355	69,293
Agriculture	25,880	26,767	23,223
Social Services	11,100	25,907	11,034
Electricity/Gas/Water	145,389	947,003	2,308,092
Other	1,912	125	90,000
Total	2,670,632	3,822,922	4,828,406
Portfolio	296,273	561,760	-264,925

Source: Central Bank

TABLE 3

Foreign Direct Investment
(Percent of GDP)

	1997	1998
Capital Inflows	4.5	5.1
Stock	15.1	18.1

(Total investment including petroleum and portfolio)

Source: Central Bank

TABLE 4

Colombia's Foreign Investment flows by Country
(Thousands of US Dollars)

Country	1995	1996	1997	1998
Panama	166,564	12,904	41,130	826,721
Venezuela	70,124	28,842	101,682	34,057
Ecuador	20,171	-5,182	8,867	21,904
Peru	6,584	9,213	11,268	228
Bahamas	5,780	4,919	5,845	0
Cayman Islands	4,289	3,813	5,427	250
United States	2,802	2,683	11,011	18,659
Chile	2,032	980	963	480
Great Britain	1,637	1,637	0	4,885
British V. Is.	1,396	4,507	260,443	13,241
Barbados	500	0	435	0
Barranquilla Free Zone	365	428	187	0
Other Free Zone	131	344	0	227
Bolivia	125	258	404	475
Costa Rica	110	-100	-244	0

Mexico	86	450	3,567	535
Guatemala	49	112	4	0
Argentina	18	0	3,847	0
Lithuania	8	250	0	0
France	4	0	0	8,106
Germany	0	0	0	0
Brazil	0	1,726	700	3,709
Curacao	0	-2,750	0	
El Salvador	0	0	-700	0
Gibraltar	0	0	300	0
Nicaragua	0	0	141	0
Portugal	0	0	-8,058	34,504
Puerto Rico	0	70	66	0
Antigua & B.	-300	0	0	0
Spain	-4,271	3,500	-4,621	14,967
All Others	0	3,000	96	2,213
Total	278,205	74,466	441,782	985,167

Source: Central Bank

TABLE 5

Major Foreign Investors

Country of Origin/Company	Foreign Investor	Econ Activity
Argentina:		
Impsa Andina S.A. Corp.	Impsa S.A.	Computers
Impsat S.A.	Impsat Corporation	Computers
Techint Inter. Const.	Techint Inter. Corporation (Tenco)	Construction
Belgium:		
Colombit S.A.	ETEX Group	Construction
Brazil:		
Banco Real	Banco Real	Banking
Constructora Andrade G. S.A.	Constructora Andrade G. S.A.	Construction
Constructora Norberto Odebrecht	Constructora Norberto Odebrecht	Construction
Elevadores Atlas S.A.	Elevadores Atlas S.A.	Machinery
Petrobras Internacional S.A.	Petrobras Internacional S.A.	Petroleum
Unimec EPS S.A.	Unimed do Brasil	Medical
Varig S.A.	Varig S.A.	Aviation
Canada:		
Boeringer Ingelheim	Pharma Investment	Pharmaceuticals
Carboquimica S.A.	Swisinvess Ltd.	Chemicals
Cia Manufacturera Manisol	Bata Shoe Organization	Shoes/Textiles

Comcel	Bell Canada	Communications
CentrOriente S.A.	TransCanada Pipelines	Petroleum
TransGas de Occidente	TransCanada Pipelines	Petroleum
Ocensa	TransCanada Pipelines	Petroleum
Greystar Resources Ltd.	Greystar Resources Ltd.	Mining
ICO Pinturas	Swisinvess Ltd	Paint
Impreandes Presencia S.A.	Quebecor Printing Inc.	Printing
Kappa Resources Col. Ltd.	Kappa Energy Co. Inc.	Mining
McCain Andina S.A.	McCain Foods Ltd.	Food
Meals S.A.	Alaska B.F. Inc.	Food
Northern Telecom de Col.	Northern Telecom Ltd.	Communications
Productos Roche S.A.	Sapac Corporation	Chemicals/Vet.
Royalco S.A.	Royal Group Tech. Ltd.	Construction
Sandoz Colombiana	Montreal Trust Co.	Pharmaceuticals
Chile:		
Americatel Col.	Empresa Nal. De Telecom.	Communications
Central Hidroelectrica Betania	Endesa S.A.	Electricity
Chivor S.A. ESP	Gener S.A.	Electricity
Sodimac S.A.	Sodimac S.A.	Commerce
Synapsis S.A.	Synapsis S.A.	Computers
Denmark:		
Compania Metalurgica	Bera Plumrose A.S.	Metal
Plumrose Madrilena	The east asiatic Co. Ltd.	Food
Ecuador:		
Banco de Pacifico	Banco del Pacifico S.A.	Banking
Inversora Pichincha S.A.	Banco del Pichincha C.A.	Financial
Banco Andino de Colombia	Banco Popular del Ecuador	Banking
Sociedad Ecuatoriana de Trans.	Soc. Ec. De Trans.-SAETA	Transportation
France:		
Air France	Air France	Aviation
Alcatel de Colombia S.A.	Alcatel Alsthom	Communications
Alstom T&D Ltd.	Alstom S.A.	Machinery
Biomerieux Col. Ltd.	Biomerieux S.A.	Pharmaceuticals
Carbone Lorraine de Col. S.A.	Carbone Lorraine Group	Machinery
Carrefour Col.	Carrefour S.A.	Commerce
Compania Textil Satexco	Dollfus, Mieg & Compagnie	Textiles
Degremont Col. S.A.	Degremont S.A.	Construction
Elf Atochem Col.	Elf Atochem s.A.	Chemicals
Eternit Colombiana S.A.	Everite S.A.	Construction
Geoservices col.	The Geoservices Group	Petroleum

Ind. Colombiana de Llantas	Michelin	Tires
Kelt Colombia	Kelt	Oil
PAM Col.	Pont-A-Musson S.A.	Construction
Perenco Col. S.A.	Perenco	Petroleum
Probecol Ltda.	L'Oreal Group	Pharmaceuticals
Synthelabo Farm.	L'Oreal Group	Pharmaceuticals
Rhone Poulenc Colombia	Rhone Poulenc Agrochimie	Chemicals
Saint Gobain Colombia	Compagnie Saint Gobain	Glass Products
Sanofi Winthrop de Col.	Sanofi S.A.	Pharmaceuticals
Schneider de Col.	Schneider Electric S.A.	Machinery
Sofasa - Renault	Regie National des Unisess Renault	Automotive
Spie Capag	Spie Capag S.A.	Petroleum
Sodexho Pass de Col.	Sodexho	Food-Services
Total Exploratie en Produit	Tepma	Oil
Germany:		
Agrevo S.A.	Hoescht Schering Agrevo	Chemicals
BASF Quimica Colombia	BASF AG	Chemicals
Bayer de Colombia S.A.	Gesellschaft Fur Beteili/Bayer AC/Miles Intl. Management Co.	Chemicals/ Pharmaceuticals
B.Braun Medical S.A.	B. Braun Melsungen AG	Medical
Beiersdorf S.A.	Beiersdorf AG	Industry/Consumption P.
Belonda Col. S.A.	Wella AG	Cosmetics
BMG Ariola de Col.	BMG Entertainment	Entertainment/Sound
Boehringer Ingelheim S.A.	Boehringer Ingelheim GmbH	Pharmaceuticals
Bosch Telecom Col.	Bosch Telecom GmbH	Communications
Colbateco S.A.	Varta Batterie AG	Batteries
Colombian Sewing Mach.	Singer Sewing Machine	Domestic Eq.
Distribuidora Toyota	Goetz Pfeil Schneider	Automotive
El Pomar	Werner Wagner	Lacteous
Ferrostaal de Col S.A.	Ferrostaal AG	Machinery
Festo Ltd.	Festo AG & Co.	Machinery
Grunenthal Colombiana S.A.	Grunenthal GmbH	Pharmaceuticals/ Medical
Haarman & Reimer de Col.	Haarman & Reimer GmbH	Pharmaceuticals
Henkel Col. S.A.	Henkel KgaA	Chemical
Hoechst Colombiana	Hoechst A.G.	Pharmaceuticals
Knoll de Colombia Knoll	Deutschland GmbH/	Pharmaceuticals
Nordmark Arzneimitter		

Laboratorios Artibel	Hans Schwarzkopf GmbH	Cosmetics
Loctite Col S.A.	Loctite Corp.	Paper/Plastics
Lufthansa L.A. Alemanas	Lufthansa A.G.	Aviation
Mercedez Benz Col. S.A.	Daimler Chrysler AG	Automotive
Merck Col. S.A.	Merck KgaA	Pharmaceuticals
Pfaff de Colombia	Willi Fricke	Commercial/Sewing Machines
Pfizer	Pfizer Corp.	Pharmaceuticals/ Chemicals
Printer Colombiana S.A.	Bertelman A.G.	Printing
Schenker Col S.A.	Schenker AG	Transportation
Schering Plough S.A.	Schering Plough Intl.	Pharmaceuticals
Schneider de Colombia S.A.	Schneider Electric S.A.	Electric Equipment
Siemens S.A.	Siemens Aktiengesellchart	Electric/Telecom
Sika Andina S.A.	Sika Finanz A.G.	Construction
Tecnacril Ltda.	A.W. Faber-Castell Vertrieb	Industry/Pens
Varta S.A.	Varta Batterie AG	Batteries
Great Britain:		
Albright & Wilson PAAD Ltd.	Albright & Wilson UK Ltd	Pharmaceuticals
Banco Anglo Colombiano	Lloyds Bank Ltd.	Banking
British Airways PLC	British Airways PLC	Aviation
British American Tobacco	British American Tobacco	Tobacco
British Petroleum-Amoco	British Petroleum-Amoco PLC	Oil/Gas
Bundy Col. S.A.	Bundy Group	Metalmechanics
Castrol Col. Tlt.	Burmah Castrol PLC	Automotive/Oil
Coats Cadena s.A.	Coats Viyella PLC	Apparel
Emi Col S.A.	Emi Group	Entertainment/Sound
Espacol S.A.	Guarro Casas S.A.	Paper/Plastics
Gases Industriales de Col.	BOC Group PLC	Chemicals
Glaxo Wellcome de Colombia S.A.	Glaxo Group Ltd.	Pharmaceuticals
I.C.I. Col.	Imperial Chemical PLC	Chemicals
J. Walter Thompson Col.	J. Walter Thompson Co.	Advertising
Ogilvy & Mather S.A.	Ogilvy & Mather Worldwide	Advertising
Oxford University Press Harla	Oxford University Press	Printing
Reckitt & Colman Col. S.A.	Reckitt & Colman PLC	Industry/ Consumption

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Reuters Ltd.	Reuters Group PLC	News
Services		
Shell Colombia S.A.	The Shell Petroleum Co.	
Oil/Chemicals		
Tracey & Cia	Inchape Motors Inter.	Machinery
UDV Rueda	Diaego PLC	Apparel
Unilever Andina S.A.	Verenigde B.V.	
Soaps/Cosmetics		
Veedol Intl. Ltd.	Veedol Intnl.	Oil/Coal
Zeneca Farma de col.	Zeneca Group	
Pharmaceutical		
Italy:		
Alitalia L.A. Italianas	Alitalia Linee Aeree	
Italiene SPA	Aviation	
Banco Sudameris	Banque Sudameris	Banking
Cartones America S.A.	Pierangelo Pacini G.	
Paper/Cardboard		
Cinzano de Colombia	Cinzano Intl.	Food
Generali Col.	Assicurazioni Generali	Insurance
Grandi Lavori Fincosit	Grandi Lavory Fincosit SPA	
Construction		
Impreglio SPA	Impreglio SPA	
Construction		
Olivetti Colombia	Olivetti Intl. S.A.	Office
Products		
Parmalat Col.	ParmalatFinanziaria SPA	Food/Milk
Plastimac Col.	Plastimac SPA	
Industry/Plastic		
TPL Tecnologie Progett	TPL Tecnologie Progetti	
Construction		
Lavori SPAi	Lavori Spa-Colombia	
Zambon Col. S.A.	Zambon Group SPA	
Pharmaceutical		
Japan:		
Compania Colombiana	Mazda Motor Corp.	Automotive
Automotriz		
Emtec Compania Ltda S.C.I	Susumu Ota	Emeralds
Fujitsu Col.	Fujitsu Ltd.	
Communications		
Gestetner Col. S.A.	Ricoh Co. Ltd.	Machinery
Itochu Col. S.a.	Itochu Corp.	Commerce
Marubeni Corp.	Marubeni corp.	Commerce
Melco de Colombia	Mitsubishi Corp.	Electric
Corp.	Elevators/Parts	
Mitsubishi Colombia	Mitsubishi Corp.	Commercial
Mitsui de Col.	Mitsui & Co. Ltd.	
Communications		
NEC de Col. S.A.	NEC Corp.	
Communications		
Sumitomo de Col.	Sumitomo Corp.	Commerce
Suzuki Motor de Colombia	Suzuki Motor Corp.	
Motorcycles/Parts		
Teikoku Oil Col.	Teikoku Oil Co. Ltd.	Petroleum
Yazaki Ciemel Ltda.	Yazaki Corp.	Automotive

Luxembourg:		
Celcaribe	Millicom	Communications
Unilever Andina S.A.	Verenidge B.V	Edible fats/oils & soaps
Netherlands:		
ABN Amro bank Col.	ABN Amro bank N.V.	Banking
Banco real de Colombia	Banco Real S.A.	Banking
Shell Colombia S.A.	The Shell Petroleum Co.	Oil/Gas
Distribuidora Quimica	Ransdorp Investment	Waste Products
Enka de Colombia S.A.	Industrieel Bezit Enk/ Bezit Fontanus	Fibers
Eka Chemicals de Col.	Eka Chemicals AB	Chemicals
Friesland col.	Friesland Diary Foods	Food
Hunter Douglas de col.	Hunter Douglas NV	Construction
ING Barings Col.	ING Bank NV	Banking
Interquim S.A.	Casco Prod. AB	Chemicals
Inds. Philips de col.	Philips Electronics NV	Electronics
KPMG Peat Marwick Col.	KPMG Inter.	Accounting
Martin aviation Serv. de Col.	Martinair Holland	Aviation
Makro de Col.	SHV NV	Commerce
Organon Teknika Col.	Organon Teknika NV	Pharmaceuticals
Polygram S.A.	Polygram NV	Entertainment/Sound
Van Leer Envases de col.	Royal Packaging Ind.	Industry/Packaging
Panama:		
Antioquena de Inversiones S.A.	Panamerican Beverages	Beverages
Atunes de Colombia S.A.	Estrella Blanca de Panama	Tuna Fishing
Centelsa	Horizon Ltd.	Electric/ Telecom Cables
Cofre-Colombiana de Frenos S.A.	South American Holding	Auto Parts
Colombia Textile	Elvara Ltd.	Textiles
Inversiones Medellin S.A.	Panamerican Beverages I.	Beverages
Real Seguros	Real Intl. Insurance	Insurance
Salvat Editores	Difedi	Printing
Schlumberger Surenco	Schlumberger Surenco	Oil
Tapon Corona Colombia	Raleigh S.A	Metal Products
Peru:		
Aeroperu	Aeroperu	Aviation
Artefacta S.A.	Artefacta S.A.	Commerce
Banco Tequendama	Banco de Credito del Peru	Banking
Belstar S.A.	Ebel International	Cosmetics
South Korea:		
Daewoo Motor Col.	Daewoo Corp	Automotive

Didaewoo S.A	Daewoo Corp.	Automotive
Daewoo Electronics de Col.	Daewoo Electronics Co.	Electronics
Hiundai Corp.	Hiundai Corp.	Automotive
LG Electronics Inc.	LG Electronics Inc.	Electronics
Samsung Electronics de col.	Samsung Electronics	Electronics

Spain:

Agemac Verdes Col.	Agemac S.A.	Machinery
Aguas de Cartagena S.A. ESP	Aguas de Barcelona	Services/Water
Amper S.A. Col	Amper S.A.	Communications
Banco Ganadero	Banco Bilbao Vizcaya	Banking
Banco Santander Colombia	Santander Investment	Banking
Bellota Col. S.A.	Bellota Herramientas S.A.	Machinery
Codac S.A. ESP	Dragados y Constr. S.A.	Services/ Construction
Colsanitas S.A.	Sanitas Inter.	Medical
Endesa (Chile)/Endesa (Espana)	Emgesa S.A.	Services/Electricity
Extebandes	Banco Exterior de los Andes y de Espana	Banking
Gas Natural S.A.	Gas natural SDG S.A.	Services/Gas
Iberia	Iberia - Colombia	Aviation
Interamericana de Electronica	Codere S.A.	Electronics
Lucta Grancolombiana	Lucta S.A.	Pharmaceuticals
Pigmentos y Prod. Quimicos	Nubiola Pigmentos	Chemicals
Pedro Domecq Col.	Pedro Domecq S.A.	Spirits
Planeta Col. Editorial S.A.	Planeta Inter. S.A.	Printing
Radiotronica S.A.	Radiotronica S.A.	Computers
Seguros Mapfre S.A.	Corp. Mapfre	Insurance

Sweden:

AGA-Fano Fabrica Nacional de Oxigeno S.A.	AGA Aktiebolag	Medical
Alfa Laval S.A.	Alfa Laval AB	Machinery
Asea Brown Boveri	Asea Brown Boveri	Energy
Atlas copco Col.	Atlas Copco AB	Machinery
Belonda de Colombia	Wella A.G.	Hair Prod.
Electrolux S.A.	Electrolux Group	Electronics
Ericsson de Col.	Telefonaktiebolaget LM	Communications
Husqvarna S.A.	Husqvarna AB	Automotive
Lux de Col. S.A.	AB Lux	Food/Beverages
Merck Colombia S.A.	Merck A.G.	Pharmaceuticals
Oriflame de Col.	Oriflame Inter. AB	Cosmetics
Sandvik Col. S.A.	Sandvik AB	Machinery
Skandia Col.	Skandia Insurance Co.	Insurance
SKF Latintrade Col.	AB SKF	Commerce
Tetra Pak Ltd.	Tetra Pak	Industry/Packaging

Switzerland:		
Asensores Schindler de col.	Schindler Holding Ltd.	Equipment/Elevators
Asea Brown Bovery de Col.	ABB Asea Brown	Machinery
Autophon S.A.	Ascom AG Ascom	Communications
Buhler S.A.	Buhler AG	Machinery
Carcafe S.A.	Volcafe AG	Food/Coffee
Cementos Boyaca S.A.	Holderbank Financiere Glaris S.A.	Cement
Ciba Geigy Colombia S.A.	Ciba Geigy A.G.	Pharmaceuticals
Clariant Col.	Clariant AG	Chemicals
Comestibles La Rosa S.A.	Nestle S.A.	Food
Lab. Alcon de col.	Alcon Lab. Inc.	Pharmaceuticals
Prod. Roche S.A.	F. Hoffman-La roche Ltd.	Pharmaceuticals
Nestle de Colombia S.A.	Nestle S.A.	Food
Novartis de col.	Novartis Inter. AG	Pharmaceuticals
T Vapan 500	Extenaco A.G.	Food
United States of America:		
3Com Inter. Inc.	3Com Corp.	Computers
3M Colombia S.A.	Minnesota Mining & Manufacturing	Medical equipment/ supplies
AC Nielsen Col.	AC Nielsen Co.	Services/Marketing
Asea Brown Boveri Ltda.	Asea Brown Boveri Ltd.	Energy generation/ trans./distrib. equipment
Abbott Laboratories de Colombia S.A.	Abbott Laboratories Inc	Pharmaceuticals
Alusud-Embalajes de Col.	Alcoa Aluminio S.A.	Industry/Aluminium
American Airlines Inc.	American Airlines Inc.	Aviation
American Pipe and Construction Intl.	American Pipe & Construction Intl.	Water Pipes
Amoco Colombia	Amoco	Oil/Gas
Amway Col.	Amway Corp.	Cosmetics
Andersen Consulting	Andersen Consulting	Services/Consulting
Armco Colombia	Armco Inc.	Metal
Arthur D. Little de Col.	Arthur D. Little Inc.	Services/Consulting
AT&T Global Information Solutions de Colombia	AT&T Global Information Solution Co.	Communications
Avery Denison Col.	Avery Denison Corp.	Paper/Plastics
Bain Hogg Colombiana	Hogg Group Overseas Ltd.	Insurance
Baker Hughes de col.	Baker Hughes Inc.	Petroleum/Mining

Banco de Boston	Boston Overseas	Banking
Financial Corp.		
Bank of America	Bank America Corp.	Banking
Berol S.A.	Berol Pen Co.	Pen/Pencils
Becton Dickinson de Col.	Becton Dickinson & Co.	Medical
BetzDeaborn S.A.	BetzDeaborn Inc.	
Construction		
B.J. Services Co.	B.J. Services Co.	
Petroleum/Mining		
Black & Decker Colombia	Inversiones Zarandali	
Construction		
Booz Allen & Hamilton	Booz Allen & Hamilton Inc.	
Services/Consulting		
Bristol Myers Squibb S.A.	Bristol Laboratories	
Pharmaceuticals		
Bush Boake Allen Col.	Bush Boake Allen Inc.	
Pharmaceuticals		
C.I Colombina General Foods	Philip Morris	Food
Latin America Inc.		
C.I. Banadex-Bananos de	CRC Properties	Banana
Export		
Cabot Colombiana S.A.	Union de Industrias	Chemicals
	Quimicas Ltda.	
Cargill Cafetera de	Cargill Inc.	Coffee/
Manizales S.A.		Agric.
Products		
Cementos Paz del Rio	Citibank	Cement
Centragas	Enron Corp.	Gas
Chevron Petroleum Co.	Chevron Petroleum Co.	Oil
CHS Col.	CHS Inc.	Computers
Chicle Adams S.A.	Tabor Laboratories	Candies
Chubb de Colombia	Vigilant Insurance Co.	Insurance
Cicolac	Borden Inc.	Dairy
Products		
Cigna Seguros de Colombia	Insurance Co. of	Insurance
	North America	
Citibank Colombia	Citibank Overseas	Banking
	Investment Corp.	
Coats Cadena S.A.	J&P Coats Cia.	Textile
Fibers		
Coca-Cola de Colombia S.A.	The Coca-Cola Export	Beverages
	Corp.	
Colfondos	Citibank Overseas	Pension
Fund		
	Investment Corp.	
Colgate Palmolive & Cia	Colgate	
Soap/Cleaning		
	Palmolive Col.	Products
Colombiana Kimberly S.A.	Kimberly Clark Co.	Paper
Colpapel S.A.	Kimberly Clark Co.	Paper
Compaq Computer	Compaq Latin America	Computers
de Colombia S.A. Corp.		
Computer Associates de Col.	Computer Associates Inc.	Computers
Comsat de Col.	Comsat Corp.	
Communications		
Continental Airlines Inc.	Continental Airlines Inc.	Aviation

Cristaleria Peldar S.A.	Egger & Co./	Glass Products
Crown Litometal	Crown Cork & Seals	Metal Products
Croydon S.A.	Uranis Worldwide S.A	Sport Shoes
Cyanamid de Colombia	Cyanamid	Pharmaceuticals
Cyquium de Col.	Cytec Ind	Pharmaceuticals
De Lima & Cia. Bogota	Marsh & McLennan Co.	Insurance
Delmaiz Inyucal S.A.	Highland Operating Corp.	Food
Deloitte & Touche	Deloitte & Touche Tohmatsu	Services/Consulting
DHL Inter Ltd.	DHL Inter LTD.	Services/Courier
Disa S.A.	Bestfoods	Food
Dow Quimica de Col. S.A.	The Dow Chemical Co.	Chemicals
Dowelanco de Colombia	Dowelanco B.V.	Agricultural
Dow Corning de Col.	Dow Corning Corp.	Pharmaceuticals
Drummond	Drummond	Coal
Du Pont de Colombia S.A.	Dupont D'Nemours Inc.	Pesticides/ Agricultural Products
E.R. Squibb & Sons	E.R. Squibb & Sons	Pharmaceuticals
Inter American Corp.	Inter American Corp.	
Eli Lilly Interamericana	Eli Lilly Interamer.	Veterinary Products
Empaques Bates	Cust Co.	Multi-wall Paper Bags
Empresa Andina de Herramientas	Cooper Ind. Inc.	Equipment/Tools
Empresa de Energia del Pacifico	Houston Ind.	Energy
Ernst & Young Ltda.	Ernst & Young Inter.	Sevices/Consulting
Esso Colombiana Ltd.	Esso Colombiana Colombia	Oil/Gas
Eveready de Colombia S.A.	Ralston Purina Overseas Battery Co./Eveready Battery Co.	Batteries
Explotaciones CMS Nomeco Inc.	CMS Energy corp.	Energy
Exxon Chemical del Sur	Exxon Chemical Inc.	Chemicals
Fiberglass de Colombia	Owens-Corning Fiberglass	Glass
Floramerica	Dole Food Co.	Food/Flowers
Ford motor de Col.	Ford Motor Co.	Automotive
Foster Wheeler Andina	Foster Wheeler Corp.	Serv./Chemical Consulting
Frosst Lab. Inc.	Merck & Co. Inc.	Pharmaceuticals
Frutera Col. S.A.-Fruco	Amalgamated Beverages Co	Food
Gases Industriales de	B.O.C. Holdings Ltd.	Chemicals

Colombia -Cryogas S.A.		
General de Equipos de		
Colombia	General Machinery Corp.	Heavy
Equip./Parts		
General Electric	General Electric	Electric
Products		
General Motors Colmotores	General Motors Corp.	Automotive
Gillette de Colombia S.A.	The Gillette Co.	
Shaving/Cosmetics		
G.M. Colmotores S.A.	General Motors Corp.	Automotive
Goodyear de Colombia	The Goodyear Tire &	Tires &
Rubber		
	Rubber Co.	Products
Grace Col. S.A.	W.R. Grace & Co.	Chemicals
Grifith Col.	Grifith Lab. Inc.	
Pharmaceuticals		
Halliburton Latin America	Halliburton Colombia	Oil
H.B. Fuller Col.	H.B. Fuller Co.	Chemicals
Health de Colombia	C.E Heath Overseas	Insurance
	Brokering Ltd.	
Helmerich & Payne	Helmerich & Payne	Oil
Colombia Drilling	Drilling Colombia	
Hewlet Packard Col.	Hewlet Packard Co.	Computers
Home Products	Home Products Inc.	Chemicals
Honeywell Col.	Honeywell Inc.	Machinery
IBM de Colombia S.A.	IBM World Trade Corp.	Computers
Industria Colombiana	Eberhard Faber Inc.	Pencils
de Lapices		
Industrial de Gaseosas S.A.	Panamerican Beverages	Beverages
Industrias Gran Colombia	Maple Limited	Food
Industrias Inextra S.A.	Procter & Gamble Co.	
Soaps/Cleaning		
Industrias Philips	Philips Overseas Holding	Electric
Products		
de Colombia S.A		
Ingersoll Dresser Pumps	Ingersoll Dresser Pumps	Machinery
Inter-Continental	Intercontinental	Hotels
de Colombia	Overseas Holding Corp.	
Intercor	Exxon Corp.	Coal
Johnson & Higgins	Wilcox Peck Hughes	Insurance
Johnson & Johnson	Johnson & Johnson Intl.	Personal
de Colombia S.A.		Hygiene
Products		
Kellogg de Colombia S.A.	Kellogg Co.	Food
Kimberly S.A.	Kimberly Clark Co.	Paper/Fiber
K & M Servicios Tecnicos	K & M Engineering Corp.	
Services/Engineering		
Kodak Colombia Ltd.	Kodak Colombia	
Photographic		
Products		
Korn Ferry Inter Col.	Korn Ferry Inter	Services
La Interamericana	Firimis Insurance Co.	Insurance
de Seguros	of Newark	
Lab. Baxter S.A.	Baxter Healthcare Corp.	
Pharmaceuticals		
Laboratorios Wyeth Inc.	Wyeth Colombia	Chemicals
Leo Burnet Col.	Leo Burnett Inc.	Advertising

Liberty Seguros	Liberty Mutual Insurance Co.	Insurance
Lotus Col.	Lotus Development Co.	Software
Luminex S.A.	Gramex S.A.	Electric Products
Maizena S.A.	CPC International Inc.	Food
Mattel Col.	Mattel Inc.	Commerce
McCann Ericsson Corp.	McCann Ericsson Worldwide	Advertising
McGraw Hill de Col.	The McGraw Hill Co.	Printing
McKinsey & Cia. Col.	McKinsey & co.	Services/Accounting
Microsoft Branch Col.	Microsoft Corp.	Computers
Mobil de Colombia	Mobil Intl. Petroleum	Oil/Gas
Monsanto Colombiana Inc. Intnl.	Colombia de Monsanto	Chemicals
Motorola de Col.	Motorola inc.	Communications
Nabisco Royal Colombiana	Nabisco Inc.	Food
NCR Col.	NCR Corp.	Communications
Newell Sanford S.A.	Sanford Corp.	Industry/Pens
Northern Telecom	Northern Telecom Ltd.	Telecommunications
Occidental de Colombia Inc.	Occidental de Colombia	Oil/Gas
Oleoducto Central-Ocensa	Enron Corporation	Gas
Oracle Col.	Oracle Corp.	Computers
Owens Corning Andercol	Owens Corning	Construction
Oxigenos de Colombia	Praxair Co.	Medical
Pan American Colombia Insurance Co.	Pan American Life	Insurance
Parke Davis and Co.	Parke Davis & Co.	Pharmaceuticals
Parker Drilling Co.	Parker Drilling Co.	Oil
Pepsi Cola Panamericana	PepsiCo Inc.	Beverages
Pfizer S.A.	Pfizer Inc.	Pharmaceuticals
Pharmacia 7 Upjohn Inter.	Pharmacia & Upjohn Inc.	Pharmaceuticals
Pizano S.A.	Tablex Holdings Ltd.	Wood Products
Polymer S.A.	Interplast Corp. USA	Polymers
Polaroyd Col.	Polaroyd Corp.	Machinery
Price Waterhouse Consultores	Price Waterhouse Coopers	Services/ Consulting
Procter & Gamble Col.	Procter & Gambel Co.	Industry/ Consumption
Productos Quaker S.A.	The Quaker Oats Co./ Wolf Brand Products	Food
Promigas ESP	Enron Corporation	Gas distribution
Propal S.A.	Intl. Paper/W.R. Grace/ Intl. Records Corp	Paper
Purina Colombiana S.A.	Ralston Purina Co.	Veterinary Prod
Quimica Nalco de col.	Nalco Chemical co.	Chemicals

Reckitt & Colman Colombia S.A.	Suffolk Chemical Co./ Reckitt & Colman Plc.	Soaps/Cleaning Products
Rohm and Haas Colombia	Rohm and Haas Co.	Pesticides/ Agricultural Products
RTS Col.	Baxter Healthcare Corp.	Pharmaceuticals
Sabores y Fragancias	Flavors & Fragances	Chemicals
SC Johnson & Son	SC Johnson & Son	Paint
Schering Plough S.A.	Schering Plough Intl.	Pharmaceuticals
Schulemberg ind. Col.	Schulemberg Ltd.	Petroleum
Seguros Fenix	Sun Aliance Overseas Insurance	Insurance
Smurfit Carton de Colombia SA	Container Corp, of America	Cardboard/ Paper
Sony Music Entertainment	Sony Corp. of America	Musical Recordings
Spencer Stuart Col.	Spencer Stuart	Services/Consulting
Stepan Col. de Quimicos	Stepan Co.	Chemicals
Sucromiles S.A.	Miles Overseas Inc.	Chemicals
Tecnicas Baltime de Colombia S.A.	Exproa Bana Ltd.	Banana/Fruit
Tecnoclor S.A.	The Clorox Co.	Industry/ Chemicals
Texas Petroleum Co. Colombia	Texas Petroleum Co.	Oil/Gas
The Walt Disney Co.	The Walt Disney Co.	Entertainment/ Motion
Transejes S.A.	Dana Corp. & Dana World	Auto
Triton Col.	Triton Energy Ltd.	Petroleum
Toxement S.A.	Euclid Chemical Co.	Chemicals
Union Carbide Inter-America Inc.	Union Carbide Inter-America Colombia	Batteries
Unipharma S.A.	The Upjohn Co.	Pharmaceuticals
Unisys de Colombia S.A	Unisys de Colombia	Computers/ Software
Wackenhut de Col.	The Wackenhut corp.	Services/Security
Warner Lambert Ltd. Colombia Ltd.	Warner Lambert	Pharmaceuticals
Whitehall Laboratorios	Whitehall Lab. Colombia	Pharmaceuticals
Xerox de Colombia S.A.	Xerox Corporation	Copy Machines/ Office Supply
Young & Rubicam S.A.	Young & Rubicam Inc.	Advertising

Venezuela:

Aerolineas Venezolanas Avensa	Aerolineas Venezolanas	Aviation

Banco Mercantil de Col.	Banco Mercantil	Banking
Cerveceria Polar S.A.	Cerveceria Polar S.A	Beverages
Inelectra Col.	Inelectra Proyectos	Construction
Latinoamericana de Seguros	Latinoamericana de Seguros	Insurance
Monomeros Colombo-Venezolanos S.A.	Petroquimica Venezolana/I.F.I.	Chemicals
Productos de Maiz Promasa	Productos de Maiz Promasa	Food
Savoy Brands Col.	Empresas Polar	Food/Beverages
Sudamtex de Col.	Sudamtex de Venezuela	Textiles

E. U.S. AND COUNTRY CONTACTS

COLOMBIAN GOVERNMENT OFFICES RELATED TO KEY SECTORS

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Contact: Mario-Rene Verswyvel, Director
Avenida Eldorado CAN Edificio DANE
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Fax: (571) 222-4958/222-2305

DEPARTAMENTO NACIONAL DE PLANEACION (DNP)
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Contact: Mauricio Cardenas, Director
Calle 26 No. 13-19
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Fax: (571) 334-0221/334-0221

DIRECCION DE IMPUESTOS Y ADUANAS NACIONALES (DIAN)
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Carrera 7 No. 6-45 P6
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Fax: (571) 286-5789

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Avenida Jimenez No. 7-65
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Fax: (571) 243-4785/284-9005

MINISTERIO DE COMERCIO EXTERIOR (MINISTRY OF FOREIGN TRADE)
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Magdalena Pardo, Vice-Minister
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Fax: (571) 334-9908

MINISTERIO DE COMUNICACIONES
(MINISTRY OF COMMUNICATIONS)
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Ciro Mendoza, Vice-Minister
Edificio Murillo Toro, Carrera 7 Calles 11 y 12 Piso 4
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Tel: (571) 344-3455/-3460
Fax: (571) 344-3433/-3434

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(MINISTRY OF THE ENVIRONMENT)
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Fabio Arjona, Vice-Minister
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Fax: (571) 288-9892

MINISTERIO DE MINAS Y ENERGIA
(MINISTRY OF MINES AND ENERGY)
Contacts: Luis-Carlos Valenzuela, Minister
Felipe Riveira, Energy Vice-Minister
Maria-Mercedes Prado , Hydrocarbon Vice-Minister
Luisa-Fernanda Lafaurie, Mines Vice-Minister
Centro Administrativo Nacional (CAN)
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Fax: (571) 222-3651

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(SUPERINTENDENCY OF BANKS)
Contact: Sara Ordonez, Superintendent
Calle 7 No. 4-49
Santafe de Bogota, D.C., Colombia
Tel: (571) 350-8166/-6061
Fax: (571) 280-0464/350-5707

SUPERINTENDENCIA DE INDUSTRIA Y COMERCIO
(INDUSTRY AND COMMERCE SUPERINTENDENCY)
Contact: Emilio-Jose Archila-Penalosa, Superintendent

Carrera 13 No. 27-00, P5
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Fax: (571) 281-3950

COLOMBIAN AMERICAN CHAMBER OF COMMERCE AND CEA

CAMARA DE COMERCIO COLOMBO-AMERICANA, Santafe de Bogota
(COLOMBIAN-AMERICAN CHAMBER OF COMMERCE)
Contact: Joseph Finnin, Executive Director
Calle 98 No. 22-64 Piso 12
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Tel: (571) 621-5042/-5242
Fax: (571) 621-6838
Branch offices: Barranquilla, Cali, Cartagena and Medellin
E-mail: 73050.3127@compuserve.com

CAMARA DE COMERCIO COLOMBO-AMERICANA, BARRANQUILLA
(COLOMBIAN-AMERICAN CHAMBER OF COMMERCE-BARRANQUILLA)
Contact: Victoria-Eugenia Ibanez, Executive Director
Calle 76 No. 54-231 (Chalet)
Barranquilla, Atlantico, Colombia
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Fax: (575) 368-7651
E-mail: wtcbaq@latino.net.co

CAMARA DE COMERCIO COLOMBO-AMERICANA, CALI
(COLOMBIAN-AMERICAN CHAMBER OF COMMERCE-CALI)
Contact: Leyda-Lucia Perez, Executive Director
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Cali, Valle, Colombia
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Fax: (572) 667-2992

CAMARA DE COMERCIO COLOMBO-AMERICANA, CARTAGENA
(COLOMBIAN-AMERICAN CHAMBER OF COMMERCE-CARTAGENA)
Contact: Diana Lequerica, Executive Director
Centro Comercial Bocagrande Of. 309 Avenida San Martin
Cartagena, Bolivar, Colombia
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Fax: (575) 665-1704/-4079

CAMARA DE COMERCIO COLOMBO-AMERICANA, MEDELLIN
(COLOMBIAN-AMERICAN CHAMBER OF COMMERCE-MEDELLIN)
Contact: Nicolas de Zubiria, Executive Director
Calle 4 Sur No. 43A-195 Of. 163 Centro Ejecutivo El Poblado
Medellin, Antioquia, Colombia
Tel: (574) 268-7491/-7514
Fax: (574) 268-3198

CONSEJO DE EMPRESAS AMERICANAS (CEA)
(COUNCIL OF AMERICAN FIRMS IN COLOMBIA)
Contact: Jaime Lizarralde-Lora, Executive Director
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Tel: (571) 623-3010/623-3018/623-3045

Fax: (571) 623-3189

OTHER CHAMBERS OF COMMERCE

CAMARA DE COMERCIO DE BOGOTA
(BOGOTA CHAMBER OF COMMERCE)
Contacts: German Jaramillo-Rojas, President
Carrera 9 No. 16-21, P8
Santafe de Bogota, D.C., Colombia
Tel: (571) 334-7900/334-7799
Fax: (571) 284-7735/284-8506

CAMARA DE COMERCIO DE CALI
(CALI CHAMBER OF COMMERCE)
Contact: Julian Dominguez-Rivera, Executive President
Calle 8 No. 3-14
Cali, Valle, Colombia
Tel: (572) 886-1321/886-1300
Fax: (572) 886-1328

CAMARA DE COMERCIO DE CARTAGENA
(CARTAGENA CHAMBER OF COMMERCE)
Contact: Augusto Martinez, Executive President
Calle Santa Teresa No. 32-41
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Fax: (575) 660-0803

CAMARA DE COMERCIO DE MEDELLIN
(MEDELLIN CHAMBER OF COMMERCE/TRADE POINT)
Contact: Francisco Piedrahita-Echeverry, Executive President
Avenida Oriental Carrera 46 No. 52-82
Medellin, Antioquia, Colombia
Tel: (574) 511-6111/512-4826
Fax: (574) 231-8648

CAMARA DE COMERCIO DE PEREIRA
(PEREIRA CHAMBER OF COMMERCE/TRADE POINT)
Contact: Ivan Marulanda-Gomez, Executive President
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Pereira, Risaralda, Colombia
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Fax: (576) 325-0957

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ASOCIACION COLOMBIANA DE MEDIANA Y PEQUENAS INDUSTRIAS (ACOPI)
(SMALL BUSINESS ASSOCIATION)
Contact: Jaime-Alberto Cabal-Sanclemente, President
Carrera 23 No. 41-94
Apartado Aereo 16451
Santafe de Bogota, D.C., Colombia
Tel: (571) 268-0634/244-2741/268-2693
Fax: (571) 268-8965

ASOCIACION NACIONAL DE INDUSTRIALES (ANDI)
(NATIONAL INDUSTRIALISTS ASSOCIATION)

Contacts: Luis-Carlos Villegas-Echeverry, President
Fernando Bernal-Escobar, General Manager
Carrera 13 No. 26-45 Piso 6
Apartado Aereo 4430
Santafe de Bogota, D.C., Colombia
Tel: (571) 334-9620/281-0600
Fax: (571) 281-3188

FEDERACION NACIONAL DE COMERCIANTES (FENALCO)
(NATIONAL MERCHANTS FEDERATION)
Contacts: Sabas Pretelt de-la-Vega, President
Carrera 4 No. 19-85, P7
Santafe de Bogota, D.C., Colombia
Tel: (571) 283-3326/336-7800
Fax: (571) 282-7573

OTHER ASSOCIATIONS BY SPECIAL ECONOMIC/INDUSTRIAL ACTIVITY

Agriculture

DISTRIBUIDORA DE ALGODON NACIONAL (DIAGONAL)
(COTTON PURCHASING AGENCY FOR THE TEXTILE INDUSTRY)
Contact: Adolfo DeGreiff, President
Calle 52 No. 47-42, Edificio Coltejer, Of. 1001
Medellin, Antioquia, Colombia
Tel: (574) 251-2072/251-9191/241-8128
Fax: (574) 251-1878

FEDERACION NACIONAL DE CAFETEROS DE COLOMBIA
(COLOMBIAN COFFEE GROWERS FEDERATION)
Contact: Jorge Cardenas G., General Manager
Calle 73 No. 8-13
Santafe de Bogota, D.C., Colombia
Tel: (571) 345-6600
Fax: (571) 217-1021

FEDERACION NACIONAL DE CULTIVADORES DE CEREALES
(COLOMBIAN GRAIN GROWERS FEDERATION)
Contact: Jose-Adel Cancelado-Perry, General Manager
Carrera 14 No. 97-62
Santafe de Bogota, D.C., Colombia
Tel: (571) 218-4342/257-1674
Fax: (571) 218-9463

FEDERACION NACIONAL DE GANADEROS (FEDEGAN)
(NATIONAL CATTLEMEN'S FEDERATION)
Contact: Jorge Visbal-Martelo, Executive President
Avenida 14 No. 36-65
Santafe de Bogota, D.C., Colombia
Tel: (571) 232-7129/245-4010
Fax: (571) 570-1073

Apparel and Textiles

ASOCIACION COLOMBIANA DE PRODUCTORES TEXTILES (ASCOLTEX)
(TEXTILE MILLS ASSOCIATION)
Contact: Ivan Amaya-Villegas, President

Calle 72 No. 9-55 Oficina 903
Santafe de Bogota, D.C., Colombia
Tel: (571) 211-5887/212-6036/212-6234
Fax: (571) 210-3894

ASOCIACION NACIONAL DE DISTRIBUIDORES TEXTILES
E INSUMOS PARA LA CONFECCION (ASOTEXTIL)
(TEXTILE AND MATERIALS DISTRIBUTORS ASSOCIATION)
Contact: Jorge-Mario Pulido, President
Carrera 60 No. 49-41 Oficina 302
Medellin, Antioquia, Colombia
Tel: (574) 512-4065/512-4074/513-2058
Fax: (574) 512-4072

Automotive

ASOCIACION NACIONAL DE COMERCIANTES DE AUTOPARTES (ASOPARTES)
(ASSOCIATION OF AUTOMOTIVE PARTS IMPORTERS AND DEALERS)
Contact: Tulio Zuloaga-Revollo, Executive President
Carrera 43A No. 22A-56
Santafe de Bogota, D.C., Colombia
Tel: (571) 337-8673/337-7353
Fax: (571) 269-2061

Banking

ASOCIACION BANCARIA Y DE ENTIDADES FINANCIERAS (ASOBANCARIA) (BANKING AND FINANCE ASSOCIATION)
Contact: Jorge-Humberto Botero-Arango, President
Carrera 9 No. 74-08, Piso 9
Santafe de Bogota, D.C., Colombia
Tel: (571) 249-6411/211-4087/255-1709
Fax: (571) 211-4460/211-9915

Construction

CAMARA COLOMBIANA DE LA CONSTRUCCION (CAMACOL)
(COLOMBIAN CONSTRUCTION CHAMBER)
Contact: Hernando-Jose Gomez-Restrepo, President
Calle 70A No. 10-22
Santafe de Bogota, D.C., Colombia
Tel: (571) 217-7166/217-0929
Fax: (571) 211-9559

Engineering

ASOCIACION COLOMBIANA DE INGENIEROS CONSTRUCTORES (ACIC)
(Colombian Association of Construction Engineers)
Contacts: Silvio Mejia-Duque, President
John-William Cortez, Technical Director
Calle 82 No. 10-11
Santa Fe de Bogota, D.C., Colombia
Tel: (571) 236-3585/-4809 /610-7803
Fax: (571) 610-6552

ASOCIACION COLOMBIANA DE INGENIEROS ELECTRICOS Y MECANICOS(ACIEM)
(Colombian Association of Electrical and Mechanical Engineers)

Contacts: Jorge Villate-Castillo, President
Luz-Marina Oviedo de Cuevas, Executive Director
Avenida 22 No. 41-69
Santafe de Bogota, D.C. , Colombia
Tel: (571) 368-9268/269-7442/369-0441
Fax: (571) 368-9265/369-0442
Publishes: ACIEM NACIONAL and ACIEM CUNDINAMARCA (Quarterly)

ASOCIACION DE INGENIEROS CONSULTORES COLOMBIANOS - AICO
(Colombian Association of Consulting Engineers)
Contacts: Guillermo Restrepo Gomez, President
Silvia Vanegas de Arciniegas, Executive Director
Carrera 13 A No. 89 - 53, Of. 401
Santafe de Bogota, D.C. - Colombia
Tel: (571) 610-5726 /-5746
Fax: (571) 610-7275

SOCIEDAD COLOMBIANA DE INGENIEROS (SCI)
(COLOMBIAN ENGINEERS SOCIETY)
Contacts: Heberto Jimenez-Munoz, President
Alfredo Diaz-Piccaluga, Executive Director
Carrera 4 No. 10-41
Santafe de Bogota, D.C., Colombia
Tel: (571) 286-2200/256-1023/611-4040
Fax: (571) 281-6229
Members: 2,000 legally registered Colombian engineers
Publishes: Anales de Ingenieria (quarterly)

Exports

ASOCIACION NACIONAL DE EXPORTADORES (ANALDEX)
(NATIONAL ASSOCIATION OF EXPORTERS)
Contact: Javier Diaz-Molina, President
Carrera 10 No. 27-27 Int. 137, Oficina 902, Edificio Bachue
Santafe de Bogota, D.C., Colombia
Tel: (571) 342-0788
Fax: (571) 284-6911

ASOCIACION COLOMBIANA DE EXPORTADORES DE FLORES
(ASOCOLFLORES)
(ASSOCIATION OF FLOWER EXPORTERS)
Contact: German Botero-Arboleda, President
Carrera 9A No. 90-53
Santafe de Bogota, D.C., Colombia
Tel: (571) 257-9311
Fax: (571) 218-3693

PROEXPORT COLOMBIA
(EXPORT PROMOTION BUREAU)
Contact: Orlando Sardi DeLima, President
Calle 28 No. 13A-15 Piso 36
Santafe de Bogota, D.C., Colombia
Tel: (571) 281-3151/341-2066/0677/334-8611
Fax: (571) 282-8130/282-8230

Food Products

ANDI-CAMARA INDUSTRIAL DE ALIMENTOS
(FOOD PROCESSORS ORGANIZATION)
Contact: Octavio Campo-Urrea, Executive Director
Carrera 13 No. 26-45, Ofc. 501
Santafe de Bogota, D.C., Colombia
Tel: (571) 281-5372/281-0600/334-9620
Fax: (571) 281-5372

Informatics

ASOCIACION COLOMBIANA DE INGENIEROS DE SISTEMAS (ACIS)
(COLOMBIAN ASSOCIATION OF SYSTEMS ENGINEERS)
Contacts: Victor-Manuel Toro, President
Beatriz Caicedo-Rioja, Executive Director
Calle 93 No. 13-32, Oficina 102
Santafe de Bogota, D.C., Colombia
Tel: (571) 610-4842/616-1407
Fax: (571) 616-1409
Publishes: Sistemas (Quarterly) - Members: 1,600 system engineers

ASOCIACION COLOMBIANA DE USUARIOS DE COMPUTADORES (ACUC)
Contacts: Miguel A. Vargas, President
Calle 39A No. 14-58
Santafe de Bogota, D.C., Colombia
Tel: (571) 232-1965/232-6006
Fax: (571) 285-3920
Members: 3500 computer end-users

CAMARA COLOMBIANA DE INFORMATICA Y TELECOMUNICACIONES
(COLOMBIAN TELE-INFORMATIC CHAMBER)
Contact: Sergio Martinez, President
Calle 93 No. 20-66 Oficina 202
Santafe de Bogota, D.C., Colombia
Tel: (571) 621-4309/621-4359/621-4379
Fax: (571) 621-4448
Members: The 40 largest manufacturing and service providing companies in the telecommunication and computer sectors

Leather

ASOCIACION COLOMBIANA DE INDUSTRIALES DEL CUERO (ASOCUEROS)
(ASSOCIATION OF LEATHER GOODS MANUFACTURERS)
Contact: Maria-Angela Tavera-Sarmiento, President
Carrera 4A No. 25-C-71
Santafe de Bogota, D.C., Colombia
Tel: (571) 281-6400/281-6171
Fax: (571) 341-8995

Metal Industries

FEDERACION COLOMBIANA DE INDUSTRIAS METALURGICAS (FEDEMETAL)
(ASSOCIATION OF METAL INDUSTRIES)
Contact: Gustavo Tobon-Londono, President
Calle 35 No. 4-81
Santafe de Bogota, D.C., Colombia
Tel: (571) 232-3600 through 3604/287-0441/0287
Fax: (571) 288-5094/285-7086

Mining

CONSEJO INTERGREMIAL DE MINERIA DE COLOMBIA (CIMCO)
(COLOMBIAN INTERTRADE MINING COUNCIL)
Contact: Justo-Ramon Carrillo, President
Calle 106 No. 25-50, Piso 2
Santafe de Bogota, D.C., Colombia
Tel: (571) 523-0909; Fax: (571) 523-0909

Petroleum

ASOCIACION COLOMBIANA DEL PETROLEO
(COLOMBIAN PETROLEUM ASSOCIATION)
Contact: Alejandro Martinez-Villegas, Executive President
Calle 86 No. 20-21, Of. 401
Santafe de Bogota, D.C., Colombia
Tel: (571) 616-8384 through 616-8387
Fax: (571) 616-8390

CAMARA COLOMBIANA DE LA INDUSTRIA PETROLERA (CAMPETROL)
(COLOMBIAN CHAMBER FOR THE OIL INDUSTRY)
Contact: Freddy Castano, Executive Director
Carrera 13A No. 104-09
Santafe de Bogota, D.C., Colombia
Tel: (571) 214-8681/214-8920/619-7114
Fax: (571) 214-8920

Pharmaceutical

ASOCIACION DE LABORATORIOS FARMACEUTICOS DE INVESTIGACION
(AFIDRO)
Contact: Peter Richter, President Board of Directors
Transversal 6 No. 27-10 Piso 6
Santafe de Bogota, D.C., Colombia
Tel: (571) 334-1580/334-1585
Fax: (571) 334-6139

Plastics

ASOCIACION COLOMBIANA DE INDUSTRIAS PLASTICAS (ACOPLASTICOS)
(PLASTIC INDUSTRIES ASSOCIATION)
Contact: Carlos Garay-Salamanca, President
Santafe de Bogota, D.C., Colombia
Calle 69 No. 5-33
Tel: (571) 346-0655
Fax: (571) 249-6997

MARKET RESEARCH FIRMS

A. C. NIELSEN DE COLOMBIA S.A.
Contact: Felipe Urdaneta-Deeb, General Manager
Calle 80 No. 5-81
Santafe de Bogota, D.C., Colombia
Tel: (571) 211-9100
Fax: (571) 345-8667

MARKET RESEARCH DE COLOMBIA
Contact: Jorge Martinez-Gil, General Manager
Avenida 13 No. 114A-32, Piso 3
Santafe de Bogota, D.C., Colombia
Tel: (571) 619-8423/619-8435/619-8446/619-8457
Fax: (571) 619-8490

ANALIZAR MERCADEO LTDA.
Contact: Jairo Lombana-Cadavid, General Manager
Carrera 7 No. 65-01
Santafe de Bogota, D.C., Colombia
Tel: (571) 218-1274/210-1029
Fax: (571) 210-1216

DATA PHARMACEUTICAL SERVICES LTDA. DE COLOMBIA
Contact: Julian Caro-Barrera, General Manager
Carrera 21 No. 39A-66
Santafe de Bogota, D.C., Colombia
Tel: (571) 338-1831/338-1832
Fax: (571) 338-1834

CENTRO NACIONAL DE CONSULTORIA
Contact: Roque Gonzalez-Garzon, General Manager
Diagonal 34 No. 5-27
Santafe de Bogota, D.C., Colombia
Tel: (571) 288-3100/288-1811
Fax: (571) 287-2670

OPTIMOS LTDA.
Contact: Rocio Aristizabal-Kiser, General Manager
Carrera 13A No. 89-38 Oficina 339
Santafe de Bogota, D.C., Colombia
Tel: (571) 618-2751/618-4606
Fax: (571) 618-2821

COMMERCIAL BANKS

BANCAFE
Contact: Gilberto Gomez-Arango, President
Calle 28 No. 13-A-15/53
Santafe de Bogota, D.C., Colombia
Tel: (571) 341-1511/334-7107
Fax: (571) 284-0041

BANCO DE BOGOTA
Contact: Alejandro Figueroa, President
Calle 35 No. 7-47 Piso 15
Santafe de Bogota, D.C., Colombia
Tel: (571) 332-0032/338-3396
Fax: (571) 288-4590

BANCO DE COLOMBIA
Contact: Jorge Londono-Saldarriaga, President
Calle 30A No. 6-38 Piso 11
Santafe de Bogota, D.C., Colombia

Tel: (571) 340-2767/68/338-1300
Fax: (571) 285-0997/281-3124

BANCO DE OCCIDENTE
Contact: Efrain Otero-Alvarez, President
Carrera 4 No. 7-61 Piso 15
Cali, Valle, Colombia
Tel: (572) 886-1111 PBX
Fax: (572) 886-1283

BANCO GANADERO
Contact: Jose-Maria Ayala-Vargas, President
Carrera 9 No. 72-21
Santafe de Bogota, D.C., Colombia
Tel: (571) 347-1600/321-5680/312-4666
Fax: (571) 235-9829

BANCOLDEX-BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A.
(FOREIGN TRADE BANK)
Contact: Miguel Gomez-Martinez, President
Calle 28 No. 13-A-15 Piso 38
Apartado Aereo 240092
Santafe de Bogota, D.C., Colombia
Tel: (571) 341-0677
Fax: (571) 336-7731/284-5087/282-5071

MULTILATERAL DEVELOPMENT BANKS

ALIDE
Contact: German Contreras, Country Representative
Calle 16 No. 6-66 Piso 7
Santafe de Bogota, D.C., Colombia
Tel: (571) 334-2459/336-0377
Fax: (571) 283-8713

BANCO INTERAMERICANO DE DESARROLLO (IDB)
Contact: Carlo Binetti, Country Representative
Avenida 40A No. 13-09 P7
Santafe de Bogota, D.C., Colombia
Tel: (571) 288-0366
Fax: (571) 288-6336

BANCO MUNDIAL (WORLD BANK)
Contact: Jairo Arboleda-Toro, Acting Country Representative
Santafe de Bogota, D.C., Colombia
Diagonal 35 No. 5-98
Tel: (571) 320-3577
Fax: (571) 245-5744

CORPORACION ANDINA DE FOMENTO
Contact: Liliana Canale-Novella, Country Representative
Santafe de Bogota, D.C., Colombia
Carrera 7 No. 74-56 P13
Tel: (571) 313-2311
Fax: (571) 313-2787

FLAR-FONDO LATINOAMERICANO DE RESERVAS

Contact: Roberto Guarnieri, Executive President
Carrera 13 No. 27-47 Piso 10
Santafe de Bogota, D.C., Colombia
Tel: (571) 241-9860
Fax: (571) 288-1117

U.S. EMBASSY

Mailing address from U.S.:
U.S. Embassy Bogota
APO AA 34038
Tel: (571) 315-0811 (Switchboard)
Fax: (571) 315-2197

Street address:
Calle 22D Bis No. 47-51
Santafe de Bogota, D.C., Colombia

THE COMMERCIAL SERVICE/US&FCS (U.S. Department of Commerce)

Mailing address from U.S.:

The Commercial Service
Contact: Karla King, Commercial Counselor
Enrique Ortiz, Commercial Attache
Unit 5120
APO AA 34038
Tel: (571) 315-2126/315-2298
Fax: (571) 315-2171/315-2190

ECONOMIC SECTION (Department of State)
Contact: Richard M. Sanders, Economic Counselor

AGRICULTURAL SECTION (Department of Agriculture)
Contact: David Salmon, Agriculture Attache

WASHINGTON-BASED USG CONTACTS FOR COLOMBIA

U. S. Department of Commerce
Contact: Matt Gaisford, Colombia Desk Officer
14th Street & Constitution Avenue, N.W.
Washington D.C. 20230
Tel: (202) 482-1599/482-2736
Fax: (202) 482-0464

TPCC Trade Information Center
Washington, D.C.
Tel: 1-800-USA-TRADE

U.S. Department of State
Contact: Denise Malczewski, Colombia Desk Officer
2201 C Street N.W.
Washington D.C. 20250
Tel: (202) 647-3023
Fax: (202) 647-2628

Office of the Coordinator for Business Affairs
Washington D.C.
Tel: (202) 746-1625
Fax: (202) 647-3953

U.S. Department of Agriculture
Foreign Agricultural Service (FAS)
Contact: Robert Hoff, Western Hemisphere Area Office
14th & Independence Avenue, N.W.
Washington D.C. 20250
Tel: (202) 720-3221
Fax: (202) 720-6063

U.S. Department of Agriculture
Foreign Agricultural Service (FAS)
Trade Assistance and Promotion Office
Washington D.C.
Tel: (202) 720-7420

F. MARKET RESEARCH

Industry Sector Analyses (ISAs)

Each year, The Commercial Service at the U.S. Embassy in Bogota writes a number of in-depth sectoral reports available to U.S. industry. The following Industry Sector Analyses (ISAs) were prepared during fiscal year 1999:

1. Tele-Medicine (MED)
2. Wireless Communications Equipment (TEL)
3. Building Products (BLD)
4. Inorganic Chemicals: Industrial (ICH)
5. Petrochemicals (ICH)
6. Office Products (BUS)
7. Material Handling Machinery (MHM)

The following ISAs are planned for fiscal year 2000:

1. Travel and Tourism Services (TRA)
2. Electric Power Sistems (ELP)
3. Plastic Materials and Resins (PMR)
4. Financial Services (FIN)
5. Food Processing Equipment(FPP)
7. Machine Tools (MTL)
8. Heavy Construction and Earthmoving Equipment (CON)

ISAs and IMIs and other complete listings of market research are available to the U.S. business community through the National Trade Data Bank (NTDB). For more information, call the U.S. Department of Commerce's Export Hotline at (800) 872-8723.

International Market Insight Reports (IMIs)

The Commercial Service in Bogota has also prepared the following IMIs (short spot reports on specific market conditions and opportunities during the past year.

TITLE	DATE
ANDEAN TELECOM. SHOW/EXPOCOM 98	OCT 6/98
NEW DOMESTIC TELEPHONY ACCESS CODES	OCT 6/98
ANDESAT SATELLITE ENTRANT AND STATUS	OCT 6/98
XIII NATIONAL AND IV TELECOM. CONGRESS	OCT 6/98
COLOMBIAN REGULATIONS FOR ENGINEERING CONSTRUCTION COMPANIES	OCT 13/98
CONSTRUCTION OF PUERTO SOLO IN BUENAVENTURA	NOV 10/98
COLOMBIAN HOLIDAYS 1999	NOV 23/98
COMPETITION IN THE LONG DISTANCE SERVICE	DEC 2/98
COLOMBIAN NAP	DEC 2/98
TOURISM SHOW CASE "VACACIONES USA - 99	DEC 2/98
CONSTRUCTION OF DEEP WATER COAL TERMINAL BQUILLA.	DEC 2/98
EXPO PARTES '99	DEC 2/98
DISBURSEMENT OF COLOMBIAN FOREIGN CREDITS	DEC 7/98
OPPORTUNITIES IN GAS PIPELINES	DEC 11/98
PRODUCTION ANIMAL FEED IN COLOMBIA	DEC 15/98
COLSANITAS GENERAL HOSPITAL PROJECT	DEC 15/98
TRADE OPPORTUNITY FOR ORTHOPEDIC DEVICES	DEC 18/98
DEREGULATION OF GASOLINE PRICE	JAN 13/99
NEW INCENTIVES FOR COLOMBIAN OIL&GAS INDUSTRY	JAN 13/99
NECHI HYDROELECTRIC PROJECT	JAN 25/99
GAS-FUELED VEHICLES	FEB 4/99
INDUSTRIAL/MUNICIPAL WASTEWATER TREATMENT SEM.	FEB 08/99
US EXIMBANK & THE COL. MINENVIRONMENT SIGN MOU	FEB 24/99
NEW TELEPHONES MIN COMMUNICATION	MAR 2/99
MOU BETWEEN US DEPT. OF INTERIOR &MINENVIRONMENT	MAR3/99
THE COLOMBIAN CEMENT INDUSTRY	MAR 5/99
NEW DEVELOPMENTS IN THE COLOMBIAN COAL INDUSTRY	MAR 18/99
COLOMBIAN TRADE EVENTS 1999	MAR 18/99
FURNITURE MARKET	MAR 26/99
ANTIDUMPING DUTY FOR POLYVINYL CHLORIDE	MAR 26/99
THE COLOMBIAN NIQUEL SECTOR	MAR 31/99
ENRIRONMENTAL AGENCY TO COLLECT RETRIBUTORY TAX	MAR 31/99
COLOMBIAN PETROLEUM CONGRESS	MAR 31/99
VAT-VALUE ADDED TAX CHANGES	MAR 31/99
TENDER FOR BOGOTA INTEGRATED SOLID WASTE MANAGEMENT	APR 4/99
CONSTRUCTION OF BUENAVENTURA PORT & INDUSTRIAL PARK	APR 7/99
BRIEF DESCRIPTION OF FOOD PROCESOR SECTOR	MAY 6/99
AGROEXPO 99 TRADE FAIR	MAY 6/99
Y2K ON COLOMBIAN HOSPITALS	MAY 6/99
FOOTWEAR INDUSTRY IN COLOMBIA	MAY 14/99
CONSTRUCTION OF NEW STEEL MILL IN COLOMBIA	MAY 14/99
CHANGES IN THE EDIBLE GREASES, FATS, AND OILS SUB-SECTOR	MAY 25/99
PRIVATIZATION OF COL ELECTRIC POWER INTERCONNECTION ISA	MAY 24/99
PRIVATIZATION OF ISAGEN	MAY 24/99
COCACOLA LIGHT ENTER THE COLOMBIAN MARKET	MAY 25/99
ANTIDUMPING DUTY FOR HOMOPOLYMER POLYPROPYLENE	MAY 25/99
INCREASE IN SUPERMARKET'S MARKET SHARE	MAY 27/99
COLOMBIAN MAYOR IMPORTERS OF OFFICE SUPPLIES	JUN 29/99

COLOMBIAN TRAVELERS TO THE U.S.	JUN 29/99
PLASTIC RUBBER PETROCHEMICAL INTNL. TRADE FAIR	JUN 29/99

Agricultural Reports

Annual Marketing Plan	(Quarterly 1999/2000)
Coffee semi-annual and annual	(November 1999/May 2000)
Cotton annual	(June 2000)
Country Promotion Program	(January 2000)
Dairy annual: Whole and Non-fat Dry Milk	(October 1999)
Exporter Guide annual	(September 2000)
Food Service Sector	(September 2000)
Grain and Feed annual	(March 2000)
High-value Products	(July 2000)
Livestock annual	(August 2000)
Oilseeds and Products annual	(February 2000)
Planning and Accomplishment	(Quarterly 1999/2000)
Poultry annual	(August 2000)
Sugar semi-annual and annual	(October 1999/April 2000)
Unified Export Strategy annual	(April 2000)

G. TRADE EVENT SCHEDULE

Official U.S. Government Trade Event Calendar for FY-2000:

The trade events listed below are subject to change. Interested U.S. firms should consult the Export Promotion Calendar on the NTDB or contact The Commercial Service at the U.S. Embassy in Bogota for updated information.

OCT 21-22/99 STUDY USA 2000 - Bogota
(Educational trade fair scheduled for Colombia, Chile and Argentina). The event is supported by The Commercial Service in Bogota.

OCT 27-29/99 EXPO TELEVISION & RADIO - Bogota
(Radio and TV equipment and services trade show)

Other Important Events:

AUG 24-26/99 ANDINA LINK'99 - Cartagena
(Cable TV equipment & services)

NOV 10-12/99 EXPOPETROLEO'99 - Bogota
(Oil & gas equipment, petroleum by-products, and process control instrumentation). U.S. Dept. of Commerce certified event.

FEB 22-24/00 VACACIONES USA TRAVEL SHOWCASE - Bogota
(Trade show for the promotion of travel & tourism to the U.S.) The Commercial Service in Bogota will support this event which is customarily managed by the Visit USA Travel Committee.

MAR 14-17/00 EXPOCOM ANDINO 2000 - Bogota
(Telecommunications trade show). U.S. Dept. of Commerce certified event.

OCT 24-29/00   FERIA INTERNACIONAL DE BOGOTA
(Colombia's most important biennial trade show, primarily for capital equipment, service industries, and selected consumer goods. Show attracts exhibitors from Colombia and approximately 30 foreign countries. The U.S. has had a pavilion since 1974. The 2000 pavilion is being organized by the Colombian American Chamber of Commerce. For information contact:

Colombian American Chamber of Commerce
Contact: Joseph Finnin, Executive Director
Calle 98 No. 22-64, Oficina 1209
Santafe de Bogota, D.C.
Tel: (571) 621-5042/621-5242
Fax: (571) 621-6838
E-mail: amchamcolombia@compuserve.com
Home page: www.amchamcolombia.com.co

Agricultural Events:

FAS/Bogota will be organizing and participating in the following trade events during the remaining of calendar year 1999 and FY2000:

JUL 16-25/99   AGROEXPO - Bogota
(Agricultural and food processing equipment, processed foods, cattle, farm equipment and agricultural chemicals.)

NOV 1999   Reverse Trade Mission and Seminar on the Use of Whey and
Dairy Products in the Food Industry. Activity sponsored by
the US Dairy Export Council (USDEC)

FEB 2000   COLOMBIATEX - Medellin
(FAS will provide information on USDA's Export Credit Guarantee Programs for U.S. cotton and cotton products exports.)

APR 2000   U.S. FOOD FESTIVAL - Cartagena

JUL 19-25/00   ALIMENTEC 2000 - Bogota
(The third specialized food and beverage trade show organized by ANDI and CORFERIAS).

SEP 2000   U.S. FOOD FESTIVAL - Bogota
During FY 2000, FAS/Bogota will be recruiting Colombian buyer delegations to the following agricultural trade shows:

SEP 29-OCT 03/99 WORLD DAIRY EXPO 1999
Madison, WI
Sponsor: Dane County Expo Center
Tel: (608) 224-6455; Fax (608) 224-0300

DEC 02-03/99   II FOOD AND BEVERAGE TRADE SHOW OF THE AMERICAS
Miami, FL
Sponsor: The World Trade Center - Miami
Tel: (305) 871-7910; Fax (305) 871-7904

JAN 2000 U.S. POULTRY & EGG ASSOCIATION (INTERNATIONAL CONVENTION AND EXPOSITION)
Atlanta, GA
Sponsor: U.S. Poultry & Egg Association
Tel: (770) 493-9401; Fax (770) 493-9257

FEB 19-MAR 07/00 HOUSTON LIVESTOCK SHOW & RODEO
Houston, TX
Tel: (713) 791-9000; Fax (713) 794-9528

MAY 2000 FMI/U.S. FOOD EXPORT SHOWCASE ANNUAL EXPOSITION
Chicago, IL
Sponsor: NASDA (National Association of State Departments of Agriculture)
Tel: (703) 876-0900; Fax (703) 876-0904

MAY 20-23/00 NATIONAL RESTAURANT ASSOCIATION, RESTAURANT, HOTEL-MOTEL SHOW ANNUAL EXPOSITION
Chicago, IL
Sponsor: The National Restaurant Association
Tel: (312) 853-2525; Fax (312) 853-2548

Major Colombian Trade Shows

The following is a listing of major international trade shows that will be held at CORFERIAS, Colombia's largest exhibition center located in Bogota, during the remainder of calendar year 1999 and calendar year 2000. For further information on these events contact:
CORFERIAS
Contacts: Hernando Restrepo-Londono, General Director
Roberto Vergara, Commercial Manager
Carrera 40 No.22C-67
Santafe de Bogota, Colombia
Tels: (571) 381-0000 and 381-0030
Faxes: (571) 337-7271 and 337-7272
E-mail: corferia@axesnet.com
Home Page: http//www.corferias.com

JUL 16-25/99 AGROEXPO (Agricultural and farm equipment)

SEP 02-19/99 XVI FERIA DEL HOGAR(Housewares/homefurnishings/consumer goods)

SEP 25-OCT 03/99 VI EXPOCIENCIA & EXPOTECNOLOGIA (Sciences/technology)

OCT 21-27/99 COMPUEXPO-INTERSOFTWARE (Computers, software, telecommunications and office equipment).

NOV 02-05/99 V ANDINA PACK (Packaging)

NOV 18-28/99 SALON INTERNACIONAL DEL AUTOMOVIL (Automobiles)

FEB 15-18/00 INTL. FOOTWEAR AND LEATHER SHOW

FEB 22-24/00 VITRINA TURISTICA DE ANATO (Travel/Tourism trade show)

MAR 03-05/00 EXHIVISION ANDINA (TV/Telecommunications)

MAR 14-17/00 EXPOCOMM ANDINO (Telecommunications)

MAR 31-APR 09/00 EXPOMUSICA (Musical instruments)

APR 26-MAY 08/00 INTL. BOOK FAIR

JUN 28-30/00 TEXTILMODA (Fashion show/wearing apparel)

JUL 28-29/00 ALIMENTEC (Foodstuffs)

AUG 18-SEP 03/00 FERIA DEL HOGAR (Housewares/homefurnishings/consumer goods)

OCT 11-16/00 CONGRESO COLOMBIANO DE MEDICINA INTERNA (Medical congress and trade show)

OCT 24-29/00 BOGOTA INTL. TRADE FAIR (Capital goods/general industrial machinery trade show)

OCT 24-29/00 COLOMBIA PLAST 2000 (Plastics & equip. trade show)

NOV 16-26/00 SALON INTL. DEL AUTOMOVIL (Automobile trade show)

International Buyer Program (IBP)

Each year the U.S. Department of Commerce selects approximately twenty leading U.S. trade shows which are promoted worldwide, and to which US&FCS posts bring groups of prospective foreign buyers. U.S. exhibitors at shows participating in the International Buyer Program benefit from worldwide promotion of their products and services through the Export Interest Directory, export counseling, and assistance in meeting prospective foreign customers. U.S. companies interested in contacting participants of foreign buyer delegations should visit the International Business Centers at these shows. Most of the events also sponsor export seminars at which Commercial Specialists from U.S. Embassies participate and speak on sectorial opportunities in their country. For additional information on this program, please contact the show organizer or project officer at the U.S. Department of Commerce in Washington, D.C.; Tel: (202) 482-0481 Fax: (202) 482-0115

The following IBP shows are being promoted for the remainder of FY1999:

AUG 04-07/99 BEAUTY & BARBER SHOW (Cosmetics/Toiletries)
Las Vegas, NV
Sponsor: Beauty and Barber Supply Institute
Tel: (602) 404-1800; Fax: 602-404-8900

SEPT 09-12/99 INTERNATIONAL MARINE TRADES (Pleasure Boats/Accessories)
Chicago, IL
Sponsor: National Marine Manufacturers Association
Tel: (312) 946-6200; Fax: (312) 946-0388

SEPT 22-24/99 PERSONAL COMMUNICATIONS (Telecommunications Equipment)
New Orleans, LA
Sponsor: Personal Communications Industry Association
Tel: (703) 739-0300 Ext.3023; Fax: (703) 836-1608

SEPT 30-OCT 02/99 NAFEM (Food Processing/Packaging Equipment)
Dallas, TX
Sponsor: North American Association of Food Equipment Manufacturers
Tel: (312) 644-6610 ext. 3301; Fax: (312) 644-0575

The Commercial Service in Bogota will be recruiting Colombian buyer delegations to the following IBP shows in FY2000:

OCT 09-13/99 WEFTEC (Water resources, Wastewater Treatment, Equipment/ Services)
New Orleans, LA
Sponsor: Water Environment Federation
Tel: (703) 684-2443; Fax: (703) 684-2475
E-mail: ntucker@wef.org

OCT 18-20/99 PACK EXPO WEST (Packaging Machinery)
Las Vegas, NV
Sponsor: Packaging Machinery Manufacturers Institute
Tel: (703) 243-8555; Fax: (703) 243-8556
E-mail: bkilduff@pmmi.org

OCT 19-21/99 SUNBELT AGRICULTURAL EXPO (Agricultural Machinery & Equipment)
Moultrie, GA
Sponsor: Sunbelt Agricultural Exposition
Tel: (912) 985-1968; Fax: (912) 890-8518
E-mail: sunexpo@alltel.net

OCT 28-31/99 WORLDWIDE FOOD EXPO (Processed foods, Processing & Packaging Machinery)
Chicago, IL
Sponsor: Convention Management Group
Tel: (703) 876-0900; Fax: (703) 876-0904
E-mail: molivares@cs.doc.gov

NOV 02-05/99 AUTOMOTIVE AFTERMARKET INDUSTRY WEEK (Automotive Parts and Service Equipment)
Las Vegas, NV
Sponsor: William T. Glasgow, Inc.
Tel: (708) 333-9292; Fax: (708) 333-4086
E-mail: judynovakl@aol.com

NOV 03-06/99 MEDTRADE (Medical Equipment)
New Orleans, LA
Sponsor: Medtrade Management Group
Tel: (770) 641-8181; Fax: (770) 641-1499
E-mail: joerandall@medtrade.com

NOV 15-19/99 COMDEX FALL (Computers & Peripherals)
Las Vegas, NV

Sponsor: ZD Events, Inc.
Tel: (781) 433-1823 Fax: (781) 444-7722
E-mail: sonnysaslaw@zd.com

NOV 26-DEC 01/99 GREATER NEW YORK DENTAL MEETING (Dental Equipment & Supplies)
New York, NY
Sponsor: Greater New York Dental Meeting
Tel: (212) 398-6922; Fax: (212) 398-6934
E-mail: gnydm@aol.com

DEC 02-DEC 05/99 INTL. AUTOBODY CONGRESS (Automotive Parts & Service Equipment)
Atlanta, GA
Sponsor: Agent for Automotive Service Association
Tel: (817) 255-8030; Fax: (817) 255-8065
E-mail: ljones@mfi.com

JAN 14-17/00 THE INTL. BUILDERS SHOW (Building Products)
Dallas, TX
Sponsor: National Association of Home Builders
Tel: (202) 861-2111; Fax: (202) 861-2104
E-mail: dharrison@nahb.com

JAN 17-21/00 INTL. CONSUMER ELECTRONICS SHOW (Telecommunications)
Las Vegas, NV
Sponsor: Consumer Electronics Manufacturers Association
Tel: (703) 907-7671; Fax: (703) 907-7602
E-mail: lwagener@eia.org

JAN 25-28/00 COMNET/DC 2000 (Computers & peripherals)
Washington, D.C.
Sponsor: IDG Expo Management Company
Tel: (781) 440-2722; Fax: (781) 440-0357
E-mail: mmunn@idgexpos.com

FEB 10-13/00 THE SUPER SHOW/2000 (Sporting Goods)
Atlanta, GA
Sponsor: Communications & Show Management, Inc.
Tel: (305) 893-8771 Ext.118; Fax: (305) 893-8783
E-mail: tracy@csmipi.com

FEB 14-17/00 MAGIC (WINTER) INTL. (Wearing Apparel)
Las Vegas, NV
Sponsor: Magic International
Tel: (818) 593-5003 Ext.408; Fax: (818) 593-5020
E-mail: magiconline.com

FEB 28-MAR 01/00 WIRELESS 2000 (Telecommunications Equipment)
New Orleans, LA
Sponsor: Cellular Telecommunications Industry Association
Tel: (202) 736-3654; Fax: (202) 785-0721
E-mail: rmesirow@ctia.org

MAR 2000 INTL. FRANCHISE EXPO (Franchising)
Washington, D.C.

Sponsor: Mart Franchise Venture, LLC
Tel: (201) 226-1130 Ext.569; Fax: (201) 226-1131
E-mail: rbrunsman@mmart.com

MAR 20-23/00 NATIONAL MANUFACTURING WEEK (General Industrial Machinery, Materials Handling)
Chicago, IL
Sponsor: Reed Exhibition Companies
Tel: (203) 840-5307; Fax: (203) 840-9307
E-mail: tames@reedexpo.com

APR 19-22/00 NAB 2000 (Telecommunications/Broadcasting Equipment)
Las Vegas, NV
Sponsor: NAB Conventions & Exhibitions
Tel: (202) 429-5423; Fax: (202) 429-5343
E-mail: tadamson@nab.org

MAY 20-23/00 NATIONAL RESTAURANT ASSOCIATION RESTAURANT, HOTEL-MOTEL SHOW (Hotel/Restaurant Equipment)
Chicago, IL
Sponsor: The National Restaurant Association
Tel: (312) 853-2525; Fax: (312) 853-2548
E-mail: awroblewski@dineout.org

JUN 04-08/00 SUPERCOMM 2000 (Telecommunications)
Atlanta, GA
Sponsor: Telecommunications Industry Association
Tel: (703) 907-7744; Fax: (703) 907-7746
E-mail: jchalden@tia.eia.org

JUN 19-23/00 NATIONAL PLASTICS EXPO 2000 (Plastics Production Machinery)
Chicago, IL
Sponsor: William J. Kircher & Associates
Tel: (202) 371-0700; Fax: (202) 371-0706
E-mail: mborkowski@jkircher.com

JUL 23-27/00 CLINICAL LABORATORY EXPOSITION (Laboratory & Scientific Instruments)
San Francisco, CA
Sponsor: The American Association for Clinical Chemistry
Tel: (202) 835-8739; Fax: (202) 833-4576
E-mail: cdonnell@aacc.org

AUG 13-16/00 INTL. HARDWARE WEEK & NATIONAL HARDWARE SHOW (Hardware, hand & power tools)
Chicago, IL
Sponsor: American Hardware Manufacturers Association
Tel: (847) 605-1025; Fax: (847) 605-1093
E-mail: ahma@ahma.org

SEPT 27-29/00 PERSONAL COMMUNICATIONS SHOWCASE (Telecommunications)
Chicago, IL
Sponsor: Personal Communications Industry Association
Tel: (703) 739-0300 Ext.3023; Fax: (703) 836-1608
E-mail: cassillm@pcia.com

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